

AB Snaigé

Annual accounts for 2003

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Company details

AB Snaigė

Telephone + 370 315 56205
Telefax + 370 315 56207
Registered office: Pramonės St. 6,
Alytus, Lithuania LT 4580

Supervisory Council

Giedrius Barysas (Chairman)
Dominykas Kašys
Jamie Richard
Algis Pakalnis

Board of Directors

Romualdas Raudonis (Chairman)
Nerijus Dagilis
Titas Sereika
Saulius Butkus
Rimantas Zibertas

Management

Romualdas Raudonis (Managing director)
Balys Baležentis (Production director)
Rimantas Zibertas (Marketing director)
Virginija Graudinienė (Finance director)
Albinas Valašinas (Technical director)
Rolandas Būtėnas (Procurement director)

Auditors

KPMG Lietuva

Bankers

AB Hansabankas
AB Vilnius Bankas
Vereins - und Westbank AG Vilnius branch

Explanatory note to the annual financial statements of AB Snaigė for 2003

Refrigerator factory was established on 1 April 1963. On 1 December 1992, a joint stock company Snaigė was registered during public share subscription after privatisation of the company. In December 1993, all shares owned by the State were bought. As at 1 January 2004, companies of the Republic of Lithuania owned 34.44 percent, natural persons - 18.9 percent, banks - 4.2 percent of the Company's shares. Foreign capital in the company makes up 42.46 percent.

The main activities of AB Snaigė are as follows: production of refrigerators, freezers, plastic products and equipment, transport services, trade in consumer goods, technical service of refrigerators and other activities as provided in the by-laws.

The bookkeeping in the company is made in accordance with the accounting principles valid in the Republic of Lithuania. Stock is expensed using the FIFO method. Goods and services as well as amounts receivable and payable in foreign currency are recorded at an official exchange rate valid at the transaction date. An accrual has been made for guarantee services of refrigerators, deferred tax liabilities, unrealised loss on foreign currency forward contracts, provisions have been made for amounts receivable and slow-moving stock in the warehouse. The reserves have been estimated by reviewing the quantity of refrigerators potentially subject to guarantee repairs in each region, calculating unrealised loss on currency forward contracts, evaluating provisions for doubtful debts on an individual basis as well as evaluating each slow-moving stock position.

Balances of cash, amounts receivable and liabilities in foreign currency at the end of the year are recorded in Litas applying an official currency exchange rate effective at the end of the year.

Income and costs are recorded following the accrual principle.

The company's fixed assets are considered to be the assets the value of which is not lower than 500 Litas and which participate in the production and service process for more than one year. The residual value of fixed assets amounts to 1 Litas. Depreciation of fixed assets including cars is provided on a straight line basis over their useful lives and depreciation of the bus is provided based on the production method.

Fixed assets comprise 55 per cent of the total company's assets, the weight of the fixed assets increased by 5 per cent, compared to the year 2002, mainly due to the increase of fixed and current assets.

Tangible assets, the weight of which in the total fixed assets decreased by 28 per cent compared to the previous year, comprise a major part of fixed assets (66 per cent). This change has been caused by the increase of the financial fixed assets. Plant and machinery (68 per cent), which increased by 0.6 million Litas compared to the year 2002, has the

biggest weight in the fixed tangible assets group. The value of the buildings due to reconstruction works performed increased by 2 mLitas.

The book value of vehicles decreased by 0.3 mLitas due to depreciation.

Having acquired two cars on a financial lease basis, the leased assets increased by 0.6 mLitas, compared to the previous financial year.

Other tangible assets include equipment in the warehouse which will be sold to the refrigerator plant Techprominvest being constructed in Kaliningrad. As at 31 December 2003, the equipment amounted to 699 tLitas.

Construction in progress due to not finished construction of the buildings increased by 1.2 mLitas.

Fixed financial assets amounting to 26,710,099 Litas, compared to the previous financial period, increased by 25,235,858 Litas. It was due to changes in investments:

1. Having bought 85 per cent of shares of OOO Techprominvest, amounting to 2,808,360 Litas.

2. Changes in the share capital of 100 per cent owned company in Slovakia General Frost (it amounted to 672 tLitas as at 1 January 2003):

- increase of 545,542 Litas;

- sales of all the shares owned, the value of which after the increase amounted to 1,217,882 Litas.

3. Decrease of the authorised capital of the company established in the Ukraine by 712 tLitas, the owned part of the authorised capital as at 1 January 2003 amounted to 99 per cent (801 tLitas). The part of the authorised capital owned amounts to 89 tLitas, comprising 99 per cent, as at 31 December 2003.

4. Having granted a loan of 23.8 mLitas for specific purposes to the company OOO Techprominvest established in Kaliningrad.

5. Having expensed the owned shares of the bankrupted bank (2 tLitas).

The amount receivable for the equipment sold and assembled to OOO Techprominvest (4,694 tLitas) is shown in the balance sheet under receivables after one year.

Fixed assets of AB Snaigė are reflected in detail in appendixes to the balance sheet:

1. Formation cost - Form H.

2. Intangible fixed assets - Form I.

3. Tangible fixed assets - Form J.

4. Long-term financial assets - Form K.

Short-term assets, making 44 percent in the total assets of the company, show a decrease of 5 percent, compared to the previous accounting period. Stock comprises a major part in short-term assets, i.e. 47 percent, and, in comparison with the previous accounting period, it's weight increased by 4 per cent.

In the short-term assets, the weight of raw materials and consumables decreased by 2 percent, that of work in progress remained on the same level. The weight of finished goods decreased by 1 per cent, that of the goods purchased for resale increased by 9 per cent (due to equipment to be sold to OOO Techprominvest, which has not been assembled yet, and as a result of that the ownership right has not been transferred to the buyer. The equipment is recorded at cost).

The weight of advance payments in current assets decreased by 2.1 percent.

The mentioned changes were caused by the increase of the total short-term assets of the company by 16,744 tLitas, including:

- increase of raw materials and consumables by 3,035 tLitas;
- increase of finished goods by 1,538 tLitas;
- increase of goods for resale by 7,542 tLitas;
- decrease of the amounts receivable within one year by 642 tLitas;
- decrease of advance payments by 1,353 tLitas;
- increase of cash in hand and at bank by 6,510 tLitas;
- increase of own shares (having bought them) by 200 tLitas;
- decrease of work in progress by 86 tLitas.

Having evaluated the risk related to the collectability of receivables and the obsolescence risk related to stock stored in the company's warehouses, the following changes in the provisions were made during the financial period of 2003:

1. Provisions made for slow-moving stock were decreased by Lit 156,984 (due to used for own needs and sold).
2. A provision for the amounts receivable increased by 121,234 Lit.

Accrued income and deferred costs amount to Litas 941,698, mainly including:

- intangible fixed assets not finished to create	591,145 Litas;
- costs on optimising of the financial statements for 2002 - 2005	175,000 Litas;
- insurance costs deferred	163,058 Litas;
- others	6,759 Litas.

Differently than in the previous financial year, deferred tax assets are not recorded in this part of the balance sheet, because now a deferred tax liability has been recognised under provisions for deferred tax liabilities.

Liquidity of AB Snaigė may be described by several ratios:

1. Short-term liquidity ratios:

- net working capital amounting to 42,995 tLitas, compared to the previous period, increased by 25,600 tLitas;
- current ratio is 2.1 and, compared to the previous accounting period, increased by 0.7;
- quick ratio is 1.02 and, compared to the previous financial year, increased by 0.23.

2. Long-term liquidity ratios:

- general debt ratio makes up 0.49, and in the previous period it was 0.5;
- long-term liability ratio is 0.57 per cent and, compared to the previous period, increased by 0.29 per cent;
- debt-to-share capital ratio equals to 3.87 and, compared to the previous period, increased by 1;
- fixed assets to long-term debts ratio equals to 2 and, compared to the previous financial period, decreased by 1.6.

Based on the above mentioned short-term and long-term liquidity ratios, a conclusion can be made that the company's financial position is stable and the company is able to fulfil its short-term liabilities in due time because:

- the company's net working capital is increasing several years in a sequence;
- short-term assets exceed short-term liabilities 2.1 times;

- the company's 1 Litas liability is covered by 1.1 Litas assets which can be received within the shortest period of time;
- general debt ratio has increased, and it shows that part of the borrowed funds is increasing which is used for acquiring of assets of the company.

The capital of the company amounts to 23,070,405 Litas (1,538,027 ordinary registered shares) and, compared to the previous financial period, remained the same. The company is listed on the National Stock Exchange in the Official List.

Financial donations and subsidies amount to 7,628,116 Litas and, compared to the previous year, increased by Litas 2,212,705 due to donations received from the export development programme and from the UNDP programme (greenhouse gas elimination equipment of 3,193,393 Litas), decreased by calculated amortisation during the year (980,688 Litas).

Provisions for guarantee repairs of refrigerators amount to Litas 864,869 as at 31 December 2003 and, compared to the previous financial period, increased by 535,628 Litas due to the increased value of sales of refrigerators and the increased guarantee period for refrigerators and freezers.

Amounts payable and liabilities comprise 89,141,086 Litas (compared to the previous accounting period, the amount increased by 22,870,742 Litas), including:

- amounts payable after one year comprise 50,006,263 Litas and, compared to the previous period, increased by 31,690,346 Litas, and it is influenced by the increase of long-term loans received;
- amounts payable within one year amount to 39,134,823 Litas and, compared to the previous financial period, decreased by 8,819,604 Litas. The amounts can be specified as follows:
 - trade creditors of 31,389,641 Litas,
 - amounts received in advance of 14,594 Litas,
 - taxes, salaries and social security contributions of 5,803,302 Litas,
 - other amounts payable of 1,595,680 Litas, including:
 - import VAT payable to customs of 1,417,576 Litas,
 - claims of 28,739 Litas,
 - others of 149,365 Litas.

For financing of working capital and investments, the company uses bank credits.

The agreements were signed with:

AB Vilniaus Bankas re credit line of 7,743,326 EUR

AB Vilniaus Bankas re credit of 4,924,000 EUR

AB Hansabankas, credit line of 10,000,000 Litas

Vereins - und Westbank AG Vilnius branch, credit of 1,904,000 EUR

Vereins - und Westbank AG Vilnius branch, overdraft of 2,440,300 EUR

As at 31 December 2003, bank loans used amounted to 49,601,222 Litas, including:

Vereins - und Westbank AG Vilnius branch, long-term loan and overdraft of 8,635,088.91 Litas;

AB Vilniaus Bankas, long-term loan and credit line of 32,627,568.39 Litas;

AB Hansabankas, long-term loan of 8,338,564.65 Litas.

For the loans received, the assets pledged amounted to 92,987,689.70 Litas, including:

AB Vilniaus Bankas:

- real estate of 6,165,405 Litas;
- equipment of 41,254,348.70 Litas;
- raw materials of 10,800,000 Litas;
- cash inflows of 10,000,000 Litas;
- stock (refrigerators) of 5,000,000 Litas;
- Kaliningrad company shares of 2,808,360 Litas;

Total of 76,028,113.70 Litas.

AB Hansabankas:

- real estate of 13,459,576 Litas;
- stock of 3,500,000 Litas;

Total of 16,959,576 Litas.

Vereins - und Westbank AG Vilnius branch (by secondary pledge):

- real estate of 4,607,294 Litas;
- equipment of 36,612,704 Litas;
- raw materials of 10,800,000 Litas;
- stock (refrigerators) of 5,000,000 Litas;
- cash inflows of 10,000,000 Litas;

Total of 67,019,998 Litas.

NOTE: the pledged assets are indicated at the value of the pledge estimated by the banks at the issue of the loans.

The company's capital, state of debts and accrued/deferred income/costs are reflected in more detail in the notes to the balance sheet:

1. State of capital in Form L.
2. State of the company's debts in Form M.
3. Accrued costs in Form T.
4. Accrued income in Form U.

During the financial year the company earned a gross profit of 51,574,760 Litas from sales and services which is by 5,558,077 Litas more compared to the previous financial year. Income from sales and services amounted to 278,434,198 Litas, which is by 27,773,147 Litas more than in the previous period, costs amounted to 226,859,438 Litas. Such high result was influenced by the following:

1. Increase of sales (in units) by 29,719 units.
2. Decrease of the average cost price of products by 10.59 Litas.

Decrease of the cost price was influenced by:

- budgeting of costs;
- change in the product mix;
- implementation of new production technologies.

The average sales price decreased by 5.07 Litass. The average sales price decreased mainly due to fluctuation of currency rates and decrease of agreed prices.

Operating costs amounted to 22,356,071 Litass, including:

- selling costs of 9,457,625 Litass;
- general and administrative costs of 12,898,446 Litass.

The company's operating profit in the financial year 2003 amounted to 29,218,689 Litass and, compared to the previous accounting period, increased by 2,251,694 Litass.

The company generated a profit of 37,438 Litass from other activities. Income from other activities comprises result from sales of fixed assets (108,314 Litass). Costs of 70,876 Litass were incurred for maintenance of the medical centre.

A loss from financial and investing activities made 2,732,001 Litass, which, compared to the previous financial period, increased by 1,659,657 Litass.

Income from financial and investing activities amounted to 3,045,495 Litass, including:

- currency exchange gain of 1,885,018 Litass;
- realised gain on forward contracts of 7,933 Litass;
- bank interest of 10,458 Litass;
- decrease of provisions for amounts receivable of 45,624 Litass;
- purchase discounts of 534,221 Litass;
- interest on the loan issued to General Frost of 89,688 Litass;
- interest on the loan issued to Techprominvest of 324,517 Litass;
- decrease of provisions for non-liquid stock of 119,471 Litass;
- others of 28,565 Litass.

Costs of financial and investing activities amounted to 5,777,496 Litass, including:

- currency exchange loss of 2,954,347 Litass;
- interest for the credits received of 1,391,220 Litass;
- provisions for bad debts of 121,234 Litass;

- bank services of 143,201 Litas;
- deferred tax expenses of 276,930 Litas;
- unrealised loss on currency forward contracts of 228,390 Litas;
- realised loss on currency forward contracts of 119,935 Litas;
- loss on disposal of financial assets of 527,322 Litas
(sales of shares of GENERAL FROST);
- others of 14,917 Litas.

The company's result from ordinary activities is a profit of 26,524,126 Litas and, compared to the previous period, it increased by 652,121 Litas.

Extraordinary gain amounted to 2,743,093 Litas, including:

- amortisation of subsidies received of 980,688 Litas;
- tax credit (due to the income tax of natural persons withheld from the dividends and paid to the tax authorities) of 1,643,192 Litas;
- written-off old liability of 82,432 Litas;
- written-off deposited salary of 3,913 Litas;
- paid delays returned according to the investigation statement of the state tax authorities of 17,495 Litas;
- others of 15,373 Litas.

Extraordinary losses amounted to 109,635 Litas, including:

- not fully depreciated fixed assets written off of 36,376 Litas;
- financial fixed assets written off (shares of the bankrupted bank) of 2,115 Litas;
- liquidation of fire consequences of 23,683 Litas;
- repair costs of the insured car of 4,875 Litas;
- others of 42,586 Litas.

The company's profit before taxes of the accounting year amounts to 29,157,584 Litas and, compared to the previous financial period, it increased by 2,274,249 Litas.

Profit tax for 2003 amounts to 4,375,113 Litas.

The company's operating result for 2003 can be described by several ratios of profitability:

- gross margin during the accounting year was 18.5 percent, compared to the previous period, it increased by 0.1 percent;
- operating profit margin amounted to 10.5 per cent and, compared to the previous period, it decreased by 0.3 per cent;
- profitability of ordinary activities was 9.5 per cent and, compared to the previous period, it decreased by 0.8 per cent;
- net profit ratio of sales was 8.9 per cent and, compared to the previous period, it decreased by 0.2 per cent;
- profitability of assets amounted to 13.6 per cent and, compared to the previous period, it decreased by 3.8 per cent.

The efficiency of the company's activities in 2003 can be described by the following ratios:

1. Costs ratios:

- cost price of goods sold compared to 1 Litas of sales amounted to 0.81 Litas and decreased by 0.01 Litas compared to the previous period;
- operating costs compared to 1 Litas of sales amounted to 0.08 Litas and, compared to the previous period, remained the same.

2. Ratios of turnover of current assets:

- turnover of one day comprises 762,833 Litas, it increased by 76,090 Litas compared to the previous period;
- turnover of current assets was 3.4 compared to 3.9 times during the previous period;
- stock to current assets ratio was 47.01 per cent, and in the previous period it amounted to 42.7 per cent.

3. Ratio of turnover of long-term assets:

- turnover of all assets was 1.5 times, compared to 1.9 times in 2002;
- turnover of non-current assets was 2.8 times, compared to 3.8 times during last financial year.

In 2003, the company employed 1,904 employees, including 338 managers and specialists and 1,566 workers (including 1,097 in main production and 469 in the auxiliary production). The number of employees increased by 38, compared to the previous year.

Salaries of 27,471,349 Litass were calculated to the employees of the company during the accounting financial year, including:

- managers and specialists of 7,546,115 Litass;
- workers of 19,925,234 Litass.

Compared to the previous financial year, the amount calculated was by 480,328 Litass less.

Related party transactions

The related party transactions in 2003 were as follows below.

In 2003, the company issued a loan of 23,812 tLitass to its subsidiary in Kaliningrad, on which a 324 tLitass interest has been accrued during the year. The interest rate charged on the loans is set at the above interest rates paid by the company on its borrowings. Furthermore, the company sold equipment for 4,695 tLitass to Techprominvest in 2003, realising a profit of 952 tLitass. The mentioned loan and interest receivable as well as the receivable for the sold equipment are outstanding as at 31 December 2003.

The company earned a 90 tLitass interest income on the loans issued to its subsidiary General Frost. The loans issued to General Frost in 2002 and 2003 were fully settled by the subsidiary until the year-end. During the year, the company bought equipment in total of 2,067 tLitass from General Frost. The subsidiary realised a 550 tLitass profit on the disposal. During the year the company provided services to General Frost in total for 681 tLitass. As at 31 December 2003, the company does not have any settlement balances outstanding with General Frost.

In 2003, the company was charged by 552 tLitass for services provided by its subsidiary in the Ukraine.

A 3,359 tLitass receivable from UAB Snavesta for the shares sold outstanding as at the end of 2002 was settled in 2003.

In January 2004, by a decision of the Board the company issued a loan of 9,000 tLitass to UAB Snavesta. The repayment of the loan is secured by a restriction of rights of ownership of 51 thousand ordinary shares of AB Snaigė (no disposal, pledge of shares until settlement of the liability is possible). The maturity of the loan falls on 30 April 2004, the interest rate is fixed at above the interest rates paid by the company on its borrowings.

In 2003, the company rented premises in the centre of Vilnius for representation purposes from UAB Hermis Fondų Valdymas. The rent fees paid for 2003 amount to 60 tLitass.

In 2003, no compensations were paid to the Board and Supervisory Council members. For more information, we refer to appendix TA to the balance sheet Financial Relations with Managers of the Company.

Proposed appropriation of profit for 2003

Unallocated results of previous periods	11,135,392
Result for 2003	24,782,471
Transfer from reserves	19,297,926
Available for appropriation after transfer from reserves	55,215,789
Profit appropriation:	
Dividend for 2003	-3,076,054
To reserves for acquisition of own shares and investments	-26,000,000
To other reserves	-1,088,000
Unallocated profits	25,051,735

Managing director



Romualdas Raudonis

Finance director



Virginija Graudiniene

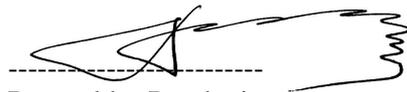
Annual report

The Board and the Management have discussed and adopted the annual accounts and the annual report.

The annual accounts have been prepared in accordance with Lithuanian accounting provisions. As far as we know, there are no suppressed facts that could have an essential impact on the decisions of the investors. We consider that the accounting policies used are appropriate and that the annual accounts thus give a true and fair view.

Vilnius, 4 March 2004

Management:

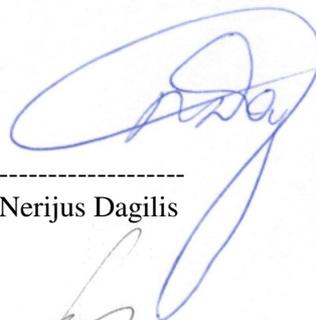


Romualdas Raudonis
Managing Director

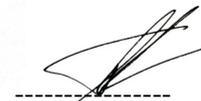
Board of Directors:



Romualdas Raudonis
(Chairman)



Nerijus Dagilis



Titas Sereika



Saulius Butkus



Rimantas Zibertas

Report of the auditor to the shareholders of AB Snaigė

Scope

We have audited the accompanying balance sheet of AB Snaigė as at 31 December 2003, the related statements of income, cash flows, appropriation of profits for the year then ended and the related notes.

Respective responsibilities of directors and auditors

These financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.

Basis of opinion

We conducted our audit in accordance with International and National Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 December 2003, and of the results of its operations and its cash flow for the year then ended in accordance with the accounting provisions of the Lithuanian legislation and the Articles of Association of the company.

Vilnius, 4 March 2004
KPMG Lietuva



Leif Rene Hansen
Danish State Authorised
Public Accountant



Jekaterina Jocienė
ACCA and Lithuanian
Certified Auditor
Certificate No. 0425

Pavadinimas / Name of the company : AB Snaigė
Data / Date 2003.12.31

Forma A / Form A

BUHALTERINIS BALANSAS (litas) /
BALANCE SHEET (in Litas)

Eil. Nr Row No	Turtas Assets	Kodai Codes	Finansiniai metai Financial year	Praeję finansiniai metai Previous financial year
A.	Ilgalaikis turtas / Long term assets		100,381,408	66,556,725
I.	FORMAVIMO SAVIKAINA / FORMATION COST		81,050	162,350
I.1.	Kapitalo pakitimo ir įmonės formavimo / Change of capital and formation of company			
I.2.	Obligacijų išleidimo / Bonds emission			
I.3.	Kitų formavimo darbų / Other formation work		81,050	162,350
I.4.	Reorganizavimo / Reorganization			
II.	NEMATERIALUSIS TURTAS / INTANGIBLE ASSETS		2,566,261	2,040,705
II.1.	Tyrinėjimų ir plėtojimo darbų savikaina / Research and development costs		2,067,990	1,746,765
II.2.	Išgytos teisės / Rights acquired		498,271	293,940
II.3.	Prestižas / Goodwill			
II.4.	Įs anksto apmokėtos įnašaus / Prepayments			
III.	MATERIALUSIS TURTAS / TANGIBLE ASSETS		66,329,457	62,877,314
III.1.	Zemė / Land			
III.2.	Pastatai / Buildings		11,071,661	9,071,861
III.3.	Statiniai ir mašinos / Plant & Machinery		44,792,006	44,137,315
III.4.	Transporto priemonės / Vehicles		1,171,167	1,562,900
III.5.	Kiti įrenginiai ir įrankiai / Other fixtures, fittings, tools and equipment		4,345,583	3,911,493
III.6.	Išperkamos nuomos ir panašios teisės / Leasing		609,126	
III.7.	Kitas materialusis turtas / Other tangible assets		1,915,885	2,998,062
III.8.	Nebaigta statyba ir išankstiniai apmokėjimai / Constructions in progress and prepayments		2,424,029	1,195,683
IV.	ILGALAIKIS FINANSINIS TURTAS / FINANCIAL LONG - TERM ASSETS		26,710,099	1,476,356
IV.1.	Dalyvavimas kitose įmoneose / Participation in other companies		26,710,099	1,474,241
IV.1.1.	Investicijos / Investments		2,898,235	1,474,241
IV.1.2.	Gautinos sumos / Amounts receivable		23,811,864	
IV.2.	Kitas ilgalaikis finansinis turtas / Other financial long-term assets			2,115
IV.2.1.	Nuosavos akcijos / Own shares			
IV.2.2.	Kitos investicijos / Other investments			2,115
IV.2.3.	Kitos gautinos sumos / Other amounts receivable			
V.	PO VIENERIŲ METŲ GAUTINOS SUMOS / AMOUNTS RECEIVABLE AFTER ONE YEAR		4,694,541	0
V.1.	Pirkėjų įsiskolinimas / Trade debtors		4,694,541	
V.2.	Kitos gautinos sumos / Other amounts receivable			

390681, JJ, NK

B.	Trumpalaikis turtas / Short term assets	81,238,263	64,494,086
I.	ATSARGOS IR NEBAIGTOS VYKDYTI SUTARTYS / STOCK AND CONTRACTS IN PROGRESS	38,236,053	27,560,938
I.1.	Atsargos / Stock	38,236,053	27,560,938
I.1.1	Žaliavos ir komplektavimo gaminiai / Raw materials and consumables	20,594,624	17,559,552
I.1.2	Nebaigta gamyba / Work in progress	1,022,482	1,110,402
I.1.3	Pagaminta produkcija / Finished products	8,711,973	7,173,700
I.1.4	Prekės, skirtos perparduoti / Goods for resale	7,757,513	215,040
I.1.5	Ilgalaikis turtas, skirtas perparduoti / Fixed assets for resale	0	
I.1.6	Išankstiniai apmokėjimai / Prepayments	149,461	1,502,244
I.2.	Nebaigtos vykdyti sutartys / Contracts in progress		
II.	PER VIENERIUS METUS GAUTINOS SUMOS / AMOUNTS RECEIVABLE WITHIN ONE YEAR	36,171,647	36,813,553
II.1.	Pirkėjų įsiskolinimas / Trade debtors	30,983,536	25,949,747
II.2.	Kitos gautinos sumos / Other amounts receivable	5,188,111	10,863,806
II.2.1	Pareikalautas, bet neįmokėtas kapitalas / Called but not paid in share capital		
II.2.2	Kitos skolos / Other debts	5,188,111	10,863,806
III.	INVESTICIJOS IR TERMINUOTI INDELIJAI / INVESTMENT AND TERM DEPOSIT	200,340	
III.1.	Nuosavos akcijos / Own shares	200,340	
III.2.	Kitos investicijos ir terminuoti indėliai / Other investments and term deposits		
IV	GRYNI PINIGAI SAŠKAITOJE IR KASOJE / CASH IN BANK AND IN HAND	6,630,223	119,595
C.	Sukauptos (gautinos) pajamos ir atėinančio laikotarpio sąnaudos / Accrued income and deferred charges	941,698	890,821
	TURTAS IŠ VISO / TOTAL ASSETS	182,561,369	131,941,632

Pavadinimas / Name of the company : AB Snaigė
Data / Date 2003.12.31

BUHALTERINIS BALANSAS (litais) /
BALANCE SHEET (in Litais)

Eil. Nr Row No	Savininkų nuosavybė ir įsipareigojimai / Equity and liabilities	Kodai Codes	Finansiniai metai Financial year	Praėję finansiniai metai Previous financial year
A.	Kapitalas ir rezervai / Capital and reserves		84,674,107	59,891,636
I.	KAPITALAS / CAPITAL		23,070,405	23,070,405
I.1.	Išstatinis (pasirašytasis) / Subscribed capital		23,070,405	23,070,405
I.2.	Nepareikalautas (mokėti (-)) / Uncalled capital			
II.	AKCIJŲ PRIEDAI (NOMINALIOS VERTĖS PERVERŠIJIMAS) / SHARE PREMIUM ACCOUNT		4,050,000	4,050,000
III.	PERKAINOJIMO REZERVAS / REVALUATION RESERVE			
IV.	REZERVAI / RESERVES		21,635,839	21,635,839
IV.1.	Išstatymo numatyti / Legal reserve		2,337,913	2,337,913
IV.2.	Nepaskirstytini / Restricted reserves		12,134,926	12,134,926
IV.3.	Paskirstytini / Unrestricted reserves		7,163,000	7,163,000
V.	NEPASKIRSTYTAS PELNAS (NUOSTOLIS) / PROFIT (LOSS) BROUGHT FORWARD		35,917,863	11,135,392
V.1.	Ataskaitinių metų / Current year		24,782,471	11,135,392
V.2.	Ankstesniųjų metų / Previous years		11,135,392	
B.	Finansavimas (dotacijos ir subsidijos) / Financing (grants and subsidies)		7,628,116	5,415,411
C.	Atidėjimai ir atidėtieji mokesčiai / Provisions and deferred taxes		1,068,060	329,241
I.	ĮSIPAREIGOJIMŲ IR REIKALAVIMŲ PADENGIMO ATIDĖJIMAI / PROVISIONS		864,869	329,241
I.1.	Pensijų ir panašių įsipareigojimų / Pensions and similar obligations			
I.2.	Mokesčių / Taxes			
I.2.1.	Netikėtųjų / Unexpected			
I.2.2.	Kitų / Other			
I.3.	Kapitalinio remonto ir stambių priežiūros darbų / Repair and significant maintenance work			
I.4.	Kiti / Other		864,869	329,241
II.	ATIDĖTI MOKESČIAI / DEFERRED TAXES		203,191	
II.1.	Kapitalo subsidijos / Capital subsidies			
II.2.	Kiti / Other		203,191	

D.	Mokėtinos sumos ir įsipareigojimai / <i>Amounts payable and liabilities</i>		
		89,141,086	66,270,344
I.	PO VIENERIŲ METŲ MOKĖTINOS SUMOS IR ĮSIPAREIGOJIMAI <i>AMOUNTS PAYABLE AFTER ONE YEAR AND LONG TERM LIABILITIES</i>		
		50,006,263	18,315,917
I.1.	Finansinės skolos / <i>Financial debts</i>	50,006,263	18,315,917
I.1.1.	Antraeilės/ <i>Secondary</i>		
I.1.2.	Neantraeilės/ <i>Primary</i>		
I.1.3.	Išperkamosios nuomos ir panašūs įsipareigojimai / <i>Leasing and similar liabilities</i>	405,041	
I.1.4.	Kreditinėms institucijoms / <i>Credit institutions</i>	49,601,222	18,315,917
I.1.5.	Kitos / <i>Others</i>		
I.2.	Prekybos skolos / <i>Trade payable</i>		
I.2.1.	Tiekėjams / <i>Suppliers</i>		
I.2.2.	Apmokėtini vekseliai / <i>Bills of exchange payable</i>		
I.3.	Avansu gautos sumos pagal pasirašytas sutartis / <i>Prepayments received on contracts in progress</i>		
I.4.	Kitos mokėtinos sumos ir ilgalaikiai įsipareigojimai / <i>Other amounts payable and long-term liabilities</i>		
II.	PER VIENERIUS METUS MOKĖTINOS SUMOS IR TRUMPALAIKIAI ĮSIPAREIGOJIMAI / <i>AMOUNTS PAYABLE WITHIN ONE YEAR AND SHORT TERM LIABILITIES</i>		
		39,134,823	47,954,427
II.1.	Ilgalaikių skolų einamųjų metų dalis / <i>Current year portion of long term debts</i>	103,216	
II.2.	Finansinės skolos / <i>Financial debts</i>	228,390	
II.2.1.	Kreditinėms institucijoms / <i>Credit institutions</i>		
II.2.2.	Kitos / <i>Others</i>	228,390	
II.3.	Prekybos skolos / <i>Trade payable</i>	31,389,641	20,142,964
II.3.1.	Tiekėjams / <i>Suppliers</i>	31,389,641	20,142,964
II.3.2.	Apmokėtini vekseliai / <i>Bills of exchange payable</i>		
II.4.	Avansu gautos sumos pagal pasirašytas sutartis / <i>Prepayments received on contracts in progress</i>	14,594	695,209
II.5.	Mokesčiai, atlyginimai ir socialinis draudimas / <i>Taxes, remuneration and social security</i>	5,803,302	6,585,249
II.5.1.	Mokesčiai / <i>Taxes</i>	3,820,602	4,197,066
II.5.2.	Atlyginimai / <i>Remunerations</i>	1,645,756	1,823,673
II.5.3.	Socialinis draudimas / <i>Social security</i>	336,944	564,510
II.6.	Kitos mokėtinos sumos ir trumpalaikiai įsipareigojimai / <i>Other amounts payable and short-term liabilities</i>	1,595,680	20,531,005
F.	Suakauptos sąnaudos ir ateinančio laikotarpio pajamos / <i>Accruals and deferred income</i>		
		50,000	35,000
	SAVININKŲ NUOSAVYBĖ IR ĮSIPAREIGOJIMAI IŠ VISO / <i>TOTAL EQUITY AND LIABILITIES</i>	182,561,369	131,941,632

Pavadinimas / Name of the company : AB Snaige
Data / Date 2003.12.31

Forma B / Form B

PELNO (NUOSTOLIO) ATASKAITA (litais) /
PROFIT AND LOSS ACCOUNT (in Litas)

Eil. Nr Row No	Strapsniai / Items	Kodai Codes	Finansiniai metai Financial year	Præjæ finansiniai metai Previous financial year
I.	PARDAVIMAI IR PASLAUGOS / SALES AND SERVICES		278,434,198	250,661,051
I.1.	Pajamos uþ parduotas prekes / Revenue from goods sold		274,033,862	244,961,014
I.2.	Pajamos uþ atliktas paslaugas / Revenue from services rendered		4,400,336	5,700,037
II.	PARDUOTŲ PREKIŲ IR ATLIKŲ DARBŲ SAVIKAINA / COST OF GOODS SOLD AND SERVICES RENDERED		226,859,438	204,644,368
II.1.	Žaliavų, komplektavimo gaminių ir perparduoti skirtų prekių / Raw materials, consumables and goods for resale		223,203,983	199,258,880
II.2.	Paslaugų darbų ir tyrimų / Services, work and research		3,655,455	5,385,488
III.	BENDRASIS PELNAS / GROSS PROFIT (NUOSTOLIS) / (LOSS)		51,574,760 ()	46,016,683 ()
IV.	VEIKLOS SANAUDOS / OPERATING EXPENSES		22,356,071	19,049,688
IV.1.	Pardavimų / Sales		9,457,625	7,761,515
IV.2.	Bendrosios ir administracinės / General and administrative		12,898,446	11,288,173
V.	VEIKLOS PELNAS / OPERATING PROFIT (NUOSTOLIS) / (LOSS)		29,218,689 ()	26,966,995 ()
VI.	KITA VEIKLA / OTHER OPERATIONS		37,438	(22,646)
VI.1.	Pajamos / Income		108,314	42,115
VI.2.	Sanaudos / Expenses		70,876	64,761
VII.	FINANSINĖ IR INVESTICINĖ VEIKLA / FINANCIAL AND INVESTING ACTIVITIES		(2,732,001)	(1,072,344)
VII.1.	Pajamos / Income		3,045,495	2,511,812
VII.2.	Sanaudos / Expenses		5,777,496	3,584,156
VIII.	PRASTINĖS VEIKLOS PELNAS / PROFIT FROM ORDINARY ACTIVITY (NUOSTOLIS) / (LOSS)		26,524,126 ()	25,872,005 ()
IX.	PAGAUTE (ypatingasis pelnas) / EXTRAORDINARY GAIN		2,743,093	1,410,656
X.	NETEKIMAI (ypatingieji praradimai) / EXTRAORDINARY LOSS		109,635	399,326
XI.	ATASKAITINIŲ METŲ PELNAS PRIEŠ APMOKESTINIMĄ / CURRENT YEAR PROFIT BEFORE TAXES (NUOSTOLIS) / (LOSS)		29,157,584 ()	26,883,335 ()
XII.	PELNO MOKESTIS / PROFIT TAX		4,375,113	3,966,933
XIII.	GRYNASIS ATASKAITINIŲ METŲ PELNAS / NET PROFIT OF CURRENT YEAR (NUOSTOLIS) / (LOSS)		24,782,471 ()	22,916,402 ()

PELNO (NUOSTOLIO) PASKIRSTYMO ATASKAITA (litas) /
 STATEMENT ON PROFIT (LOSS) APPROPRIATION (in Litas)

Eil. Nr Row No	Straipsniai / Items	Kodai Codes	Finansiniai metai Financial year	Prėję finansiniai metai Previous financial year
I.	Nepaskirstytasis rezultatas - pelnas ataskaitinio laikotarpio pradžioje / Profit brought forward from the previous year (nuostolis) / (loss)		11,135,392	0
II.	Grynasis ataskaitinio laikotarpio rezultatas - pelnas / Current year profit (nuostolis) / (loss)		24,782,471	22,916,402
III.	Paskirstytinas rezultatas - pelnas / Profit to be appropriated (nuostolis) / (loss)		35,917,863	22,916,402
IV.	Akcininkų įnašai nuostoliams padengti / Shareholders contributions against losses			
V.	Pervedimai iš rezervų / Transfers from reserves			13,838,314
VI.	Paskirstytinas pelnas / Profit to be appropriated		35,917,863	36,754,716
VII.	Pelno paskirstymas / Appropriation of profit:		0	25,619,324
VII.1.	įstatymo numatytus rezervus / to legal reserves			
VII.2.	į kitus rezervus / to restricted reserve			490,000
VII.3.	dividendai / dividends			18,456,324
VII.4.	kiti (paskirstytinas rezervas) / other appropriation (reserves for distribution)			6,673,000
VIII.	Nepaskirstytas rezultatas - pelnas / Profit to be carried forward at the end of the current year (nuostolis) - ataskaitinio laikotarpio pabaigoje / (loss) to be carried forward at the end of the current period		35,917,863	11,135,392

FINANSINĖS BŪKLĖS PAKITIMŲ (PINIGŲ SRAUTŲ) ATASKAITA (litais) /
CASH FLOWS STATEMENT (in Litai)

Eil. Nr Row No	Straipsniai / Items	Finansiniai metai Financial year	Prėję finansiniai metai Previous financial year
I.	Pinigų srautai iš įmonės veiklos / Cash flow from company's activities		
I.1.	Grynasis pelnas (nuostolis) / Net profit (loss)	24,782,471	22,916,402
I.2.	Nusidėjimo ir amortizacijos sąnaudos / Depreciation and amortisation expense	11,934,313	10,582,442
I.3.	Užsienio valiutos pasikeitimo neigiamas (teigiamas) įtaka / Negative (positive) influence of changes in foreign currency exchange rates	1,181,331	375
I.4.	Ilgalaikio turto perdavimo netekimai (pagautė) / Losses (gain) on disposals of fixed assets	(108,314)	(42,115)
I.5.	Žaliavų (atsargų) likučių sumažėjimas (padidėjimas) / Decrease (increase) in stocks	(12,078,775)	(4,887,839)
I.6.	Pirkėjų įsiskolinimo sumažėjimas (padidėjimas) / Decrease (increase) in trade receivables	(5,033,789)	(5,930,818)
I.7.	Įsiskolinimo tiekėjams padidėjimas (sumažėjimas) / Increase (decrease) in trade payables	11,246,677	(3,777,250)
I.8.	Įvairių įmonės skolų padidėjimas (sumažėjimas) / Increase (decrease) in other assets/liabilities	(709,252)	(3,244,901)
I.9.	Įsiskolinimų biudžetui padidėjimas (sumažėjimas) / Increase (decrease) in amounts payable to Government and authorities	(376,464)	2,821,940
I.10.	Įbankstinių apmokėjimų sumažėjimas (padidėjimas) / Decrease (increase) in prepayments	1,352,783	5,125,970
I.11.	Finansinės ir investicinės veiklos nuostolis (pelnas) / Losses (gain) from financial and investing activities	(970,786)	140,261
	Grynųjų pinigų srautai iš įmonės veiklos / Net cash flows from operating activities	31,220,195	23,704,467
II.	Pinigų srautai iš investicinės veiklos / Cash flow from investing activities		
II.1.	Iš ilgalaikio turto perdavimo (sigijimo) / Sales (purchases) of long term assets	(15,722,398)	(16,839,459)
II.2.	Iš investicijų perdavimo (sigijimo) / Sales (purchases) of investments	(25,233,743)	(1,273,241)
	Grynųjų pinigų srautai iš investicinės veiklos / Net cash flow from investing activities	(40,956,141)	(18,112,700)
III.	Pinigų srautai iš finansinės veiklos / Cash flows from financial activities		
III.1.	Paprastųjų ir privilegijuotųjų akcijų išleidimas / Emission of common and preferred shares		
III.2.	Savų akcijų supirkimas / Redemption of own shares	(200,340)	2,129,674
III.3.	Obligacijų išleidimas / Bonds emission		
III.4.	Išperkamosios nuomos įsipareigojimų apmokėjimai / Leasing liabilities payments		
III.5.	Skolų bankui padidėjimas (sumažėjimas) / Increase (decrease) in bank loans	32,225,143	(5,126,124)
III.6.	Kitos įmonės / Other companies		
III.6.1.	Mokėtinų skolų padidėjimas (sumažėjimas) / Increase (decrease) in payables		
III.6.2.	Gautinų sumų padidėjimas (sumažėjimas) / Increase (decrease) of receivables		
III.7.	Išmokėti dividendai / Dividends paid	(18,316,017)	(2,676,167)
III.8.	Kiti pinigų gavimai (išmokėjimai) / Other cash received (paid)	(95,669)	(1,701,531)
	Grynųjų pinigų srautai iš finansinės veiklos / Net cash flows from financial activities	13,613,117	(7,374,148)
IV.	Pinigų srautai iš ypatingosios veiklos / Cash flows from extraordinary activities		
IV.1.	Pinigų srautų iš ypatingosios veiklos padidėjimas (sumažėjimas) / Increase (decrease) in cash flows from extraordinary activities	2,633,457	1,011,330
	Grynųjų pinigų srautai iš ypatingosios veiklos / Net cash flows from extraordinary activities	2,633,457	1,011,330
V.	Grynųjų pinigų srautų padidėjimas / Increase in net cash flow (sumažėjimas) / (decrease)	6,510,628	(771,051)
VI.	Pinigai laikotarpio pradžioje / Cash at the beginning of the period	119,595	890,646
VII.	Pinigai laikotarpio pabaigoje / Cash at the end of the period	6,630,223	119,595

Notes to the financial statements

Significant accounting policies

General notes

The financial statements of the Company are prepared following legal acts regulating financial reporting in the Republic of Lithuania.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

Financial year of the Company corresponds to the calendar year.

The main accounting principles specified below were followed by the Company when preparing the financial statements.

Foreign currency transactions

Transactions denominated in foreign currencies are translated into Litas at the exchange rates ruling at the transaction date.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Litas at the foreign exchange rates ruling at that date. Realised and unrealised differences on foreign exchange translation are recognised in the income statement.

Balance sheet

Intangible non-current assets

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense as incurred.

Expenditure on development activities, including design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and is expected to deliver future benefits. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Development costs initially recognized as an expense are not recognized as an asset in a subsequent period. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

Notes to the financial statements

Development costs that have been capitalized are amortized from the commencement of the commercial production of the product to which they relate over the period of their expected benefit.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- development costs 1 to 4 years
- capitalised emission cost 5 years
- software, etc. 1 to 3 years

Tangible non-current assets

Tangible non-current assets are stated at purchase price, including indexation in accordance with the resolutions of the Government of Lithuania in 1991, less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets.

The expected useful lives are as follows:

Buildings and constructions	15 to 63 years
Plant and machinery	5 - 10 years
Vehicles and other assets	3 - 8 years

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company.

Repairs and renewals are charged directly to the income statement when the expenditure is incurred.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

Assets are considered to be fixed if their useful life exceeds one year and acquisition value is not less than LTL 500. Residual value for non-current assets is 1 Litas.

Notes to the financial statements

Investments

Investments in equity instruments are stated at acquisition cost. Financial assets comprise existing investments calculated at the acquisition cost with deduction of all provisions when under the decision of the Company's management their value decreased for reasons not considered to be temporary.

Acquired own treasury stocks are stated at acquisition cost and are accounted under short-term investments.

Inventories

Inventories are stated at cost or net realisable value, whichever is lower. Cost is determined by the FIFO method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realizable value is the estimate of the selling price in the ordinary course of business, less selling expenses. Provision is made for slow-moving or obsolete inventories.

Debtors

Trade receivables are carried at nominal value less provision for anticipated losses. An estimate is made for doubtful and hopeless receivables based on the review of all outstanding amounts at the year-end.

Dotations and subsidies

Grants received relating to the acquisition of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

Provisions

Guarantee of 2 to 5 years is provided for the production sold. The provision for guarantee repairs is made based on the expected cost of repairs and statistical failure rates of production.

Notes to the financial statements

Profit and loss account

Turnover

Revenue from sales of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the income statement in the period when incurred.

Cost of sales

Cost of sales comprises direct and indirect costs including depreciation, wages and social insurance incurred in order to obtain turnover for the year.

Costs of imported products include the purchase price, transportation and customs costs.

Tax on profit for the year

The profit tax rate is 15% on the taxable income. Expenses associated with the taxation and included into the present financial statements are based on calculations carried out by the management under Lithuanian Tax Laws.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of the deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Pavadinimas / Name of the company : AB Snaige
Data / Date 2003.12.31

Forma H / Form H

FORMAVIMO SAVIKAINA (Lt.) / FORMATION COST (in Litas)

Rodikliai / Items	Kodai / Codes	Suma (Lt.) / Amount (Litas)
Grynoji vertė ankstesniųjų finansinių metų pabaigoje / Net value at the end of previous financial year		162,350
Ataskaitinių metų pokyčiai / Current year changes		(81,300)
. Einamųjų metų išlaidos, didinančios formavimo savikainą / Current year expenses added to formation cost		
. Formavimo savikainos amortizacija (-) / Amortisation of formation cost		(81,300)
. Kiti pokyčiai +/(-) / Other changes		
Grynoji vertė einamųjų finansinių metų pabaigoje / Net value at the end of current financial year		81,050

Pavadinimas / Name of the company : AB Snaigė
 Data / Date: 2003.12.31

Forma I / Form I

ILGALAIKIS NEMATERIALUSIS TURTAS (L) / INTANGIBLE FIXED ASSETS (in Litas)

Rodikliai / Items	Kodai / Codes	Tyrimo ir vystymo darbai / Research and development	Patentai, licencijos ir pan. / Patents, licences, etc.	Prestizas / Goodwill	Išankstiniai apmokėjimai / Prepayments
b) ĮSIGIJIMO VERTE / ACQUISITION VALUE Ankstesniųjų finansinių metų pabaigoje / At the end of previous financial year Einamųjų metų pokyčiai / Current year changes . Turto įsigijimai (įskaitant nebaigtą) / Acquisitions of assets (including not finished) . Perleistas ir nebenaudojamas turas (-) / Disposed and not used assets . Perrašymai iš vieno straipsnio į kitą +(-) / Internal transfers		3,040,137 1,136,284	1,236,757 353,619		
b) NUBAŠYTO SUMOS IR AMORTIZACIJA / AMOUNTS WRITTEN OFF AND AMORTISATION Ankstesniųjų finansinių metų pabaigoje / At the end of previous financial year Einamųjų metų pokyčiai / Current year changes . Įrašai / Entries . Atstatymų įrašai (-) / Corrections (-) . Trečiajam asmeniui perleisto turto (-) / Transferred to third parties . Nurašyto turto (-) / Written off assets . Perrašymai iš vieno straipsnio į kitą +(-) / Internal transfers . Einamųjų metų pabaigoje / At the end of the current year		4,176,421 1,293,372 815,059	1,590,376 942,817 149,288		
c) GRYNOJI VERTE EINAMŲJŲ METŲ PABAIGOJE (a)-(b)** / NET VALUE AT THE END OF CURRENT YEAR (a)-(b)**		2,108,431 2,067,990	1,092,105 498,271		

* Įgalaikio nematerialiojo turto įsigijimo išlaidos gali būti avaižduotos tik atlikus atitinkamas išlaidas šiam turtui įsigyti. Nebaigtas įsigyti ilgalaikis nematerialusis turas avaižduojamas tik "Išankstinių apmokėjimų" skylyje. / Intangible fixed assets acquisition cost may be showed only after the corresponding costs were actually incurred. No fully acquired intangible fixed assets should be presented as "Prepayments".

Pavadinimas / Name of the company : AB Snaige
 Data / Date 2003.12.31

Forma J / Form J

ILGALAIKIS MATERIALUSIS TURTAS (L+) / TANGIBLE FIXED ASSETS

Kodai / Codes	Žemė ir pastatai / Land and buildings	Stainiai ir mašinos / Constructions and machinery	Transporto priemonės / Vehicles	Kiti įrenginiai, įrangą ir kt. / Other tools and equipment	Išperkamosios nuomos ir pan. / Leased equipment	Kita materialusis turtas / Other tangible assets	Nebaigus statyti ir gaminti turas bei apmokėjimai / Construction in progress including prepayments
a) ĮSIGIJIMO VERTĖ / ACQUISITION VALUE							
Ankstesniųjų finansinių metų pabaigoje / At the end of previous financial year	9,223,391	70,643,082	2,402,356	7,512,108		4,529,287	1,195,683
Einančių metų pokyčiai / Current year changes	2,157,531	10,770,369	2,662	1,357,844	627,633		
· Turto įsigijimai / Acquisitions of assets	(14,663)	(1,100,601)	(440,191)	(183,094)		(1,063,728)	1,228,346
· Perleistas ir nebenaudojamas turas (-) / Disposed and not used assets	4,032	(504,292)		166,868		333,372	
· Perrašymai iš vieno stadijo į kitą +/-(-) / Internal transfers							
Einančių metų pabaigoje / At the end of the current year	11,370,511	79,810,558	1,964,827	8,853,726	627,633	3,798,931	2,424,029
b) PERKAINOJIMAS / REVALUATION*							
Ankstesniųjų finansinių metų pabaigoje / At the end of previous financial year							
Einančių metų pokyčiai / Current year changes							
· Vertės padidėjimas / Increase in value							
· Treišiesiems asmenims perleisto turto (-) / Transferred to third parties							
· Nurašyto turto (-) / Written off assets							
· Perrašymai iš vieno stadijo į kitą +/-(-) / Internal transfers							
Einančių metų pabaigoje / At the end of the current year	0	0	0	0	0	0	0
c) NURĄŠYTOS SUMOS IR NUSIDĖJIMAS / AMOUNTS WRITTEN OFF AND DEPRECIATIONS							
Ankstesniųjų finansinių metų pabaigoje / At the end of previous financial year	151,730	26,307,767	839,456	3,600,615		1,531,225	
Einančių metų pokyčiai / Current year changes	151,542	8,995,017	362,709	1,009,070	18,507	351,821	
· Pildėjimai / Additions							
· Atsainavys įrašai (-) / Corrections	(4,422)	(484,232)	(408,505)	(101,542)			
· Treišiesiems asmenims perleisto turto (-) / Transferred to third parties							
· Nurašyto turto (-) / Written off assets							
· Perrašymai iš vieno stadijo į kitą +/-(-) / Internal transfers							
Einančių metų pabaigoje / At the end of the current year	298,850	35,018,552	793,660	4,508,143	18,507	1,883,046	0
d) GRYNOJI VERTĖ EINAMŲJŲ METŲ PABAIGOJE (a)-(b)-(c)** / NET VALUE AT THE END OF CURRENT YEAR (a)-(b)-(c)**	11,071,661	44,792,006	1,171,167	4,345,583	609,126	1,915,885	2,424,029

*b) dalyje atvaizduojamas skirtumas tarp perkainojimo ir įsigijimo vertės. / In the b) part the difference between acquisition values before and after revaluation is presented.

**c) dalyje atvaizduojamas įlgalaikio materialiojo turto įsigijimo ir perkainojimo vertės nusidėėjimas. /

In the c) part the depreciation of tangible fixed assets acquisition value and revaluation value are presented.

Pavadinimas / Name of the company : AB Snaigė

Data / Date 2003.12.31

Forma K / Form K

ILGALAIKIS FINANSINIS TURTAS (Lt.) / LONG TERM FINANCIAL ASSETS

Rodikliai / Items	Kodai / Codes	Investicijos ** / Investments **	
		Pagrindines investicijos / Main investments	Kitos investicijos / Other investments
a) ĮSIGIJIMO VERTE / ACQUISITION VALUE			
Ankstesniųjų finansinių metų pabaigoje / At the end of previous financial year		1,474,241	2,115
Einamųjų metų pokyčiai / Current year changes			
. Įsigijimai / Acquisitions		26,620,224	
. Perleidimai (-) / Disposals			
. Perrašymai iš vieno straipsnio į kitą +/- / Internal transfers +/-			
Einamųjų metų pabaigoje / At the end of the current year		28,094,465	2,115
b) VERTĖS PADIDĖJIMAS / INCREASE OF VALUE			
Ankstesniųjų finansinių metų pabaigoje / At the end of previous financial year		0	
Einamųjų metų pokyčiai / Current year changes			
. Vertės padidėjimas ataskaitiniais metais / Increase in value during current year		545,542	
. Anuliuojimai (-) / Cancellations			
. Perrašymai iš vieno straipsnio į kitą +/- / Internal transfers			
Einamųjų metų pabaigoje / At the end of the current year		545,542	0
c) AMORTIZACIJA / AMORTIZATION			
Ankstesniųjų finansinių metų pabaigoje / At the end of previous financial year		0	0
Einamųjų metų pokyčiai / Current year changes			
. Vertės sumažėjimas ataskaitiniais metais / Decrease of value during current period		1,929,908	2,115
. Atstatantys įrašai (-) / Corrections			
. Anuliuojimai (-) / Cancellations			
. Perrašymai iš vieno straipsnio į kitą +/- / Internal transfers			
Einamųjų metų pabaigoje / At the end of the current year		1,929,908	2,115
d) NEPAVEIKALAUTOS SUMOS (-) / UNCALLED AMOUNTS (-)			
Ankstesniųjų finansinių metų pabaigoje / At the end of previous financial year			
Einamųjų metų pokyčiai (+)/(-) / Current year changes (+)/(-)			
Einamųjų metų pabaigoje / At the end of the current year		0	0
GRYNOJI VERTĖ EINAMŪJŲ METŲ PABAIGOJE (a)+(b)-(c)-(d)			
NET VALUE AT THE END OF CURRENT YEAR (a)+(b)-(c)-(d) /		26,710,099	

* Ilgalaikio finansinio turto vertė atvaizduojama kartu su dar nepareikalautomis įmokėti sumomis.
The value of long term financial assets includes the uncalled amounts.

** Šios dalies "Pagrindinių investicijų" skiltyje atvaizduojamos įmonės investicijos, sudarančios 20 ar daugiau procentų nuo įmonės, į kurią investuotas finansinis turtas, įstatinio kapitalo.
"Main investments" includes the investment that comprises 20 or more per cent of share capital of the company into which the financial long-term assets were invested.

Pavadinimas / Name of the company : AB Snaigė
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Forma L / Form L

KAPITALO BUKLĖ / STATE OF CAPITAL

Rodikliai / Items	Kodai / Codes	Sumos (Lt) / Amounts (in Litas)	Akcijų skaičius / Number of shares
A. Registruotas kapitalas / Registered capital			
1. Pasirašytas kapitalas / Subscribed capital			
- Ankstesniųjų metų pabaigoje / At the end of previous year		23,070,405	1,538,027
- Pokyčiai per ataskaitinius metus / Current year changes			
- Įstatinis kapitalas padidintas iš dividendų papildomais įnašais / Dividends used to increase the share capital			
- Ataskaitinių metų pabaigoje / At the end of the financial year		23,070,405	1,538,027
2. Kapitalo struktūra / Structure of capital			
2.1. Pagal akcijų rūšis / Type of shares			
2.10. Paprastosios akcijos / Common shares		23,070,405	1,538,027
2.11. Privilegijuotosios akcijos / Preferred shares			
2.2. Valstybinis kapitalas / State owned capital			
B. Nepareikalautos bei pareikalautos, bet dar neapmokėtos sumos / Uncalled and called not paid amounts		Nepareikalautos sumos / Uncalled amounts	Pareikalautos, bet neapmokėtos sumos / Not paid called amounts
Akcininkai - skolininkai* / Shareholders - debtors *		(litas) / (in litas)	
IŠ VISO / TOTAL			
		Turimo kapitalo suma / Amount of capital held	Atitinkamų akcijų skaičius / Corresponding number of shares
C. Nuosavos akcijos, kurias turi pati įmonė / Own shares held by enterprise		15,000	1,000

* Išvardinami svarbiausieji akcininkai - skolininkai / The main shareholders - debtors are listed

Pavadinimas / Name of the company : AB Snaigė
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Forma M / Form M

ĮMONĖS SKOLŲ BŪKLĖ (LŲ) / STATE OF AMOUNTS PAYABLE (in Litas)

Rodikliai / Items	Kodas / Code	Skolos ar jų dalys, apmokėtinos / Amounts payable or part of amounts payable		
		Per vienerius finansinius metus / During the financial year	Po vienerių metų, bet ne vėliau kaip per penkerius metus / After one year but not more than five years	Po penkerių metų / After five years
A. Mokėtinų skolų skaidymas pagal rūšis / Split of amounts payable per type				
Finansinės skolos: / <i>Financial payable:</i>				
1. Antraeilės skolos/ Secondary debts				
2. Neantraeilės skolos/ Primary debts				
3. Išperkamoji nuoma ir panašūs įsipareigojimai / <i>Leasing and similar liabilities</i>		103,216	405,041	
4. Kredito institucijos / <i>Credit institutions</i>			49,601,222	
5. Užsienio kredito institucijų paskolos / <i>Loans from foreign credit institutions</i>				
6. Kitos skolos / <i>Other payables</i>		228,390		
Prekybinės skolos/ <i>Trade payables:</i>				
1. Tiekėjams / <i>Suppliers</i>		31,389,641		
2. Išduoti vekseliai / <i>Bills of exchange payable</i>				
Avansu gautos sumos / <i>Prepayments received</i>		14,594		
Mokesčių, darbo užmokesčio ir socialinio draudimo skolos / <i>Taxes, remuneration and social security payable</i>				
1. Mokesčiai / <i>Taxes</i>		3,820,602		
2. Atlyginimas ir socialinis draudimas / <i>Salaries and social security</i>		1,982,700		
Kitos skolos / <i>Other payable</i>		1,595,680		
iš VISO / <i>TOTAL</i>		39,134,823	50,006,263	0

B. Garantinės skolos / Guaranteed loans	Kodas / Code	Skolos, kurias garantuoja / Loans, guaranteed by	
		Vyriausybė / <i>The Government</i>	Vertybinių popierių, apdrausti įmonės turto / <i>Real securities constituted by the assets of the enterprise</i>
Finansinės skolos: / <i>Financial payable:</i>			
1. Antraeilės skolos / Secondary debts			
2. Neantraeilės skolos / Primary debts			
3. Išperkamoji nuoma ir panašūs įsipareigojimai / <i>Leasing and similar liabilities</i>			508,257
4. Kredito institucijos / <i>Credit institutions</i>			49,601,222
6. Kitos skolos / <i>Other payables</i>			
Prekybinės skolos / <i>Trade payables:</i>			
1. Tiekėjams / <i>Suppliers</i>			
2. Išduoti vekseliai / <i>Bills of exchange payable</i>			
Avansu gautos sumos / <i>Prepayments received</i>			
Kitos skolos / <i>Other debts</i>			
iš VISO / <i>TOTAL</i>			50,109,479

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Forma N / Form N

ĮMONĖS TEISĖS IR ĮSIPAREIGOJIMAI, NEATSPINDĖTI BALANSE* (Lt) /
RIGHTS AND COMMITMENTS NOT DISCLOSED IN THE BALANCE SHEET* (in Litas)

Rodikliai / Items	Kodai / Codes	Finansiniai metai / Financial year
Turto įkeisto paskoloms garantuoti balansinė vertė / Book value of assets pledged for the loans		
Ilgalaikis materialus turtas / Tangible fixed assets		45,518,691
Piniginės lėšos ir įplaukos į sąskaitą iki / Cash and future cash inflows up to		10,000,000
Atsargos iki / Stock up to		19,300,000
Techprominvest akcijos / Shares of Techprominvest		2,808,360
Iš viso / Total		77,627,051

* Prie šios pažymos pridedamos pastabos apie stambias dar neišspręstas įmonės bylas, galinčias daryti įtaką jos finansinei būklei /
Notes: concerning significant litigation, which may influence the financial position of the enterprise, are attached to this annex.

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Forma TA / Form TA

FINANSINIAI RYŠIAI SU ĮMONĖS VADOVAIS * (Lt) /
FINANCIAL RELATIONS WITH MANAGEMENT* (Litas)

Rodikliai / Items	Kodai / Codes	Ataskaitiniai finansiniai metai / Current financial year	Prėję finansiniai metai / Previous financial year
A. Vadovams per metus apskaičiuotos sumos, susijusios su darbo santykiais / Amounts paid to Management, related to labour relations		757,644	519,915
B. Įmonės suteiktos paskolos vadovams / Loans granted by the company to its Management			
C. Jiems neatlygintinai perduotas turtas ir dovanos / Assets and gifts that were given to Management free of charge		1,016	900
D. Jiems suteiktos įvairios garantijos įmonės vardu / Various guarantees issued by the company to the management			
E. Kitos reikšmingos sumos, per metus apskaičiuotos vadovams / Other material amounts paid out to Management during the year		2,185,248	398,969
F. Reikšmingi vadovų įsipareigojimai įmonei / Significant Management's obligations towards the company			
Vadovų vidutinis skaičius per metus / Average number of management during the year		10	9

Papildoma informacija apie A-F eilutėse pateiktas sumas /
Additional information about amounts specified in lines A-F

* Vadovais šioje lentelėje laikomi įmonės administracijos vadovas, jo pavaduotojai, tarybų ir valdybų nariai, vyriausieji buhalteriai (finansininkai). /
The management as to this note includes the head of administration, his deputies, members of the Council and the Board and chief accountant.

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FINANSINĖS IR INVESTICINĖS VEIKLOS REZULTATAI (Lt) /
RESULTS FROM FINANCIAL AND INVESTMENT ACTIVITIES (In Litas)

	Kodai / Codes	Ataskaitiniai finansiniai metai / Current financial year	Praeję finansiniai metai / Previous financial year
<i>Rodikliai / Items</i>			
a) FINANSINĖS IR INVESTICINĖS VEIKLOS PAJAMOS - IŠ VISO / <i>TOTAL INCOME FROM FINANCIAL AND INVESTMENT ACTIVITIES</i>		3,045,495	2,511,812
Reikšmingų sumų detalizavimas* : / <i>Specification of material amounts* :</i>			
Valiutos kursų pasikeitimo teigiama įtaka / <i>Currency exchange gain</i>		1,892,951	1,722,282
Pirkimo nuolaidos / <i>Purchase discounts</i>		534,221	67,430
Priskaičiuotos palūkanos / <i>Interest income</i>		415,365	0
Atidėjimo atsargoms sumažinimas / <i>Decrease of provision for stock</i>		119,471	37,487
Banko palūkanos / <i>Bank interest income</i>		10,458	12,681
Parduotos akcijos / <i>Sold shares</i>		0	266,516
Kitos / <i>Other</i>		73,029	405,416
b) FINANSINĖS IR INVESTICINĖS VEIKLOS SĄNAUDOS - IŠ VISO / <i>TOTAL EXPENSES FROM FINANCIAL AND INVESTMENT ACTIVITIES</i>		5,777,496	3,584,156
Reikšmingų sumų detalizavimas* : / <i>Specification of material amounts* :</i>			
Valiutos kursų pasikeitimo neigiama įtaka / <i>Currency exchange loss</i>		3,074,282	1,722,657
Palūkanų sąnaudos / <i>Interest on loans</i>		1,391,220	1,151,591
Atidėtasis pelno mokestis / <i>Deferred tax expense</i>		276,930	0
Nerealizuotos nuostolis iš užsienio valiutos ateities sandorių / <i>Unrealised loss on currency forwards</i>		228,390	0
Procentai už banko paslaugas / <i>Bank charges</i>		143,201	150,040
Atidėjimai beviliškoms skoloms / <i>Provision for doubtful debts</i>		121,234	395,480
Delspinigiai / <i>Delays</i>		6,067	25,971
Parduotos General Frost akcijos / <i>Sold shares of General Frost</i>		527,322	0
Parduotos akcijos / <i>Sold shares</i>		0	56,047
Kitos / <i>Other</i>		8,850	82,370
c) KAPITALIZUOTOS FINANSINĖS IR INVESTICINĖS VEIKLOS SĄNAUDOS / <i>CAPITALISED COST FROM FINANCIAL AND INVESTMENT ACTIVITIES</i>			
d) FINANSINĖS IR INVESTICINĖS VEIKLOS REZULTATAS (a-b) / <i>RESULT FROM FINANCIAL AND INVESTMENT ACTIVITIES (a-b)</i>		(2,732,001)	(1,072,344)

* Detalizuojant reikšmingas pajamų (sąnaudų) sumas, būtina nurodyti sumas, sudarančias daugiau kaip 20% visų finansinės ir investicinės veiklos pajamų (sąnaudų) sumų, o jei nė viena suma neviršija 20% , tuomet - 5 didžiausias sumas. /

* When specifying material amounts of income (expenses), it is necessary to specify all amounts exceeding 20% of total income (expenses) from financial and investing activities, and if none of the balances exceed 20%, than 5 biggest balances shall be specified.

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Forma TC / Form TC

YPATINGOSIOS VEIKLOS REZULTATAI (L)
 EXTRAORDINARY INCOME AND EXPENSES (In Lit)

Rodikliai / Items	Kodai / Codes	Ataskaitiniai finansiniai metai / Current financial year	Prėję finansiniai metai / Previous financial year
a) PAGAUTĖ (YPATINGOSIOS PAJAMOS) - IŠ VISO / EXTRAORDINARY GAIN TOTAL		2,743,093	1,410,656
Reikšmingų sumų detalizavimas* : Specification of material amounts* :			
Permokėtas pelno mokestis / Tax credit		1,643,192	514,518
Subsidijos amortizacija / Amortisation of subsidy		980,688	728,654
Kreditorinio įsiskolinimo nurašymas / Trade payable written-off		82,432	13,986
Drausto turto pairtų nuostolių kompensavimas / Insurance compensations in respect of loss of assets insured		8,462	38,629
Kitos / Other		28,319	114,869
b) NETEKIMAI (YPATINGOSIOS SAŃAUDOS) - IŠ VISO / EXTRAORDINARY LOSS TOTAL		109,635	399,326
Reikšmingų sumų detalizavimas* : Specification of material amounts* :			
Ilgalaikio turto nurašymas / Written-off fixed assets		36,376	138,427
Mokesčių inspekcijos patikrinimas / Tax authorities' inspection		40,335	242,986
Drausto automobilio remonto sąnaudos, gaisro padarinių likvidavimas / Repair of insured car, costs incurred due to fire		28,558	17,828
Kitos / Other		4,366	85
c) YPATINGOSIOS VEIKLOS REZULTATAS (a-b) / RESULT EXTRAORDINARY (a-b)		2,633,458	1,011,330

* Šia forma papildomas paaiškinamasis raštas, sudarant metinę finansinę atskaitomybę už 1999 ir vėlesnius metus.

**Detalizuojant reikšmingas pagautės (netekimų) sumas, būtina nurodyti sumas, sudarančias daugiau kaip 20% visų ypatingosios veiklos pagautės (netekimų) sumų, o jei nė viena suma neviršija 20%, tuomet - 3 didžiausias.

* This note is supplementary to management's report attached to financial reporting for 1999 and periods that follow.

** When specifying material amounts of extraordinary gain (loss), it is necessary to specify all amounts exceeding 20% of total extraordinary gain (loss), and if none of the balances exceed 20%, than 3 biggest balances shall be specified.

SUKAUPOTOS SĄNAUDOS (L) / ACCRUED EXPENSES (in L itas)

Sukauptų sąnaudų straipsniai / Items of accrued expenses	Kodai / Codes	Sukauptos sąnaudos, kurios bus apmokėtos / Accrued expenses which will be paid		
		Per kitus finansinius metus / During the next financial year	Po kitų metų, bet ne vėliau kaip per dvejus metus / After one financial year but not later than within two years	Po dviejų metų / After two years
Audito mokestis už paslaugas / Audit fee		50,000		
Sukauptos sąnaudos, iš viso / Accrued expenses Total		50,000		

ATEINANČIŲ LAIKOTARPIŲ PAJAMOS (L) / DEFERRED INCOME (in Litas)

Ateinančių laikotarpių pajamų straipsniai Items of deferred income	Kodai / Codes	Ateinančių laikotarpių pajamos, kurios bus uždirbtos Deferred income which will be earned		
		Per kitus finansinius metus / During the next financial year	Po kitų metų, bet ne vėliau kaip per dvejus metus / After one financial year but not later than within two years	Po dviejų metų / After two years
Ateinančių laikotarpių pajamos, iš viso Deferred income total				

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 Data / Date 2003.12.31

Forma U / Form U

SUKAUPOTOS PAJAMOS (Lt) / ACCRUED INCOME (In Litas)

Sukauptų pajamų straipsniai / Items of accrued income	Kodai / Codes	Uždirbtų, bet neapmokėtų pajamų apmokėjimas / Earned, but not paid yet		
		Per kitus finansinius metus / During next financial year	Po kitų metų, bet ne vėliau kaip per dvejus metus / After one financial year but not later than within two years	Po dviejų metų / After two years
Sukauptos pajamos, iš viso / Accrued income total				

ATEINANČIŲ LAIKOTARPIŲ ŠAUNAUDOS (Lt) / DEFERRED EXPENSES (in Litas)

Ateinančių laikotarpių sąnaudų straipsniai / Deferred expenses items	Kodai / Codes	Ateinančių laikotarpių sąnaudos, kurios bus pripažintos patirtomis sąnaudomis / Deferred expenses, which will be recognise as cost		
		Per kitus finansinius metus / During the next financial year	Po kitų metų, bet ne vėliau kaip per dvejus metus / After one financial year but not later than within two years	Po dviejų metų / After two years
KS, TS nebaigti projektai / Unfinished projects		591,145		
Sertifikatas, licenziinis mokestis / Certification, licence fee		6,759		5,736
Finansinių ataskaitų optimizavimas / Optimisation of financial statements		87,500		87,500
Draudimo sąnaudos / Insurance expenses		163,058		
Ateinančių laikotarpių sąnaudos, iš viso / Deferred expenses total		848,462		93,236

AB Snaigė

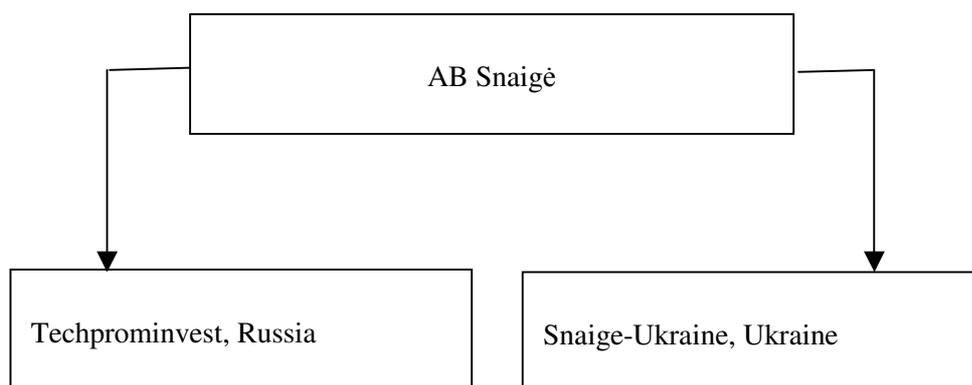
Annual accounts for 2003

Snaigė AA 03 E

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Group structure



Parent company details

AB Snaigė

Telephone + 370 35 56205
Telefax + 370 35 56207
Registered office: Pramonės g. 6,
Alytus, Lithuania LT 4580

Supervisory Council

Giedrius Barysas (Chairman)
Dominykas Kašys
Jamie Richard
Algis Pakalnis

Board of Directors

Romualdas Raudonis (Chairman)
Nerijus Dagilis
Titas Sereika
Saulius Butkus
Rimantas Zibertas

Management

Romualdas Raudonis (Managing director)
Balys Baležentis (Production director)
Rimantas Zibertas (Marketing director)
Virginija Graudinienė (Finance director)
Albinas Valašinas (Technical director)
Rolandas Būtėnas (Procurement director)

Auditors

KPMG Lietuva

Bankers

AB Hansabankas
AB Vilniaus Bankas
Vereins - und Westbank AG Vilnius branch

Financial highlights

LTL'000

	2003	2002	2001	2000	1999
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Key figures

Turnover	269,417	247,317	194,475	132,742	149,443
Gross profit	50,851	46,740	29,590	12,782	18,023
Operating profit	27,908	26,134	10,991	-224	2,884
Profit before taxation	25,643	25,523	10,913	141	2,954
Profit for the year	23,067	21,587	10,198	261	2,720

Non-current assets	100,336	66,977	61,016	55,916	46,951
Current assets	85,110	62,024	52,815	35,701	37,385
Total assets	185,446	129,001	113,831	91,617	84,336
Share capital	23,070	23,070	23,070	23,070	23,070
Capital and reserves	81,643	77,233	56,013	48,548	48,287
Minority	-171	0	0	0	0
Non-current liabilities	60,910	24,320	29,736	23,714	6,557
Current liabilities	43,064	27,448	28,082	19,355	29,492

Net cash flow from operating activities	34,296	25,702	9,224	12,622	6,195
Net cash flow from investing activities	-46,123	-18,903	-11,223	-8,640	-11,001
Net cash flow from financing activities	17,483	-6,717	1,454	-4,084	3,947
Total cash flow	5,656	82	-545	-102	-859

Average number of employees	1,866	1,856	1,849	n/a	n/a
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Financial ratios

Net profit ratio	9.5%	10.6%	5.7%	n/a	1.9%
Return on investment	13.8%	20.3%	9.7%	n/a	3.4%
Gross margin	18.9%	18.9%	15.2%	9.6%	12.1%
Current ratio	197.1%	225.9%	188.1%	184.4%	126.8%
Equity ratio	78.7%	59.8%	49.2%	53.0%	57.3%
Return on equity	31.2%	32.4%	19.5%	0.1%	6.3%

Financial highlights

Calculation of financial ratios

Net profit ratio $\frac{\text{Profit/loss on operating activities before interest etc.} \times 100}{\text{Turnover}}$

Return on investment $\frac{\text{Profit/loss on operating activities before interest etc.} \times 100}{\text{Total assets}}$

Gross margin $\frac{\text{Gross profit} \times 100}{\text{Turnover}}$

Current ratio $\frac{\text{Current assets} \times 100}{\text{Short-term creditors}}$

Equity ratio $\frac{\text{Capital and reserves at year end} \times 100}{\text{Total liabilities at year end}}$

Return on equity $\frac{\text{Profit for purposes of analysis} \times 100}{\text{Average capital and reserves}}$

Profit for purposes of analysis Profit/loss on ordinary activities after tax

Management's statement on the accounts

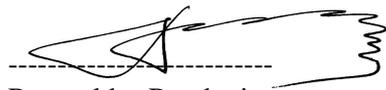
The Board of Directors and the Management have today discussed and adopted the consolidated annual accounts and the report.

The consolidated annual accounts have been prepared in accordance with International Financial Reporting Standards. We consider that the accounting policies used are appropriate and that the consolidated annual accounts thus give a true and fair view.

We recommend the consolidated annual accounts to be approved at the General Meeting.

Vilnius, 4 March 2004

Management:



Romualdas Raudonis
Managing Director

Board of Directors:



Romualdas Raudonis
(Chairman)



Nerijus Dagilis



Titas Sereika



Saulius Butkus



Rimantas Zibertas

Report of the auditor to the shareholders of AB Snaigė

Scope

We have audited the accompanying consolidated balance sheet of AB Snaigė as at 31 December 2003 and the related statements of income, movements on equity and cash flows for the year then ended.

Respective responsibilities of directors and auditors

These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Basis of the opinion

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Qualifications

The economy in Lithuania has been subject to hyperinflation which ceased to be from 1996. In accordance with IAS 29, an enterprise should treat the carrying amounts of the non-current assets indexed by a general price index in the financial reporting at the end of the period of hyperinflation as a basis for its subsequent financial statements. As the enterprise has not applied the IAS 29 during the period of hyperinflation, its buildings are stated at historical cost, which is significantly lower than its present value. There were no practicable audit procedures that could be applied to estimate the effect of missing indexations on the financial statements, for which we qualify.

Report of the auditor to the shareholders of AB Snaigė

Opinion

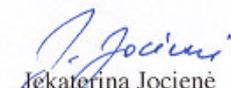
In our opinion, except for the above qualification, the consolidated financial statements give a true and fair view of the financial position of AB Snaigė as at 31 December 2003, and of the results of its operations and its cash flows for the year then ended in conformity with International Financial Reporting Standards adopted by the International Financial Reporting Standards Board.

Vilnius, 4 March 2004

KPMG Lietuva



Leif Rene Hansen
Danish State Authorised
Public Accountant



Jekaterina Jocienė
ACCA and Lithuanian
Certified Auditor
Certificate No. 0425

390.681.JJ/EKr

Profit and loss account for the year ended 31 December

	Note	2003	2002
		Litas'000	Litas'000
Turnover	2	269,417	247,317
Production costs		-218,566	-200,577
Gross profit		50,851	46,740
Distribution expenses	4	-8,905	-7,762
Administrative expenses	5	-14,084	-12,632
Other operating income and costs, net	6	46	-212
Operating profit		27,908	26,134
Financial income and expense, net	7	-2,265	-611
Profit before tax		25,643	25,523
Profit tax	8	-2,749	-3,936
Profit after tax		22,894	21,587
Minority interest		173	0
Net profit for the year		23,067	21,587
Earnings per share	9	15.00	14.11

Balance sheet at 31 December

	Note	2003	2002
		Litas'000	Litas'000
ASSETS			
Non-current assets			
Property, plant and equipment	10	95,110	64,928
Intangible assets	11	5,225	2,046
Investments		1	3
Total non-current assets		<u>100,336</u>	<u>66,977</u>
Current assets			
Inventories	13	38,189	26,084
Trade receivables		30,698	26,301
Other receivables	14	9,582	8,665
Cash and cash equivalents	15	6,641	974
Total current assets		<u>85,110</u>	<u>62,024</u>
TOTAL ASSETS		<u><u>185,446</u></u>	<u><u>129,001</u></u>

Balance sheet at 31 December

	Note	2003	2002
		Litas'000	Litas'000
EQUITY AND LIABILITIES			
Capital and reserves	16		
Share capital		23,070	23,070
Share premium		3,644	3,644
Own shares		-200	0
Legal reserve		2,338	2,338
Other reserve		12,135	12,135
Retained earnings		40,656	36,046
Total capital and reserves		<u>81,643</u>	<u>77,233</u>
Minority interest		<u>-171</u>	<u>0</u>
Non-current liabilities			
Guarantee provision	17	865	329
Deferred tax	12	277	260
Deferred grants	18	7,628	5,415
Interest bearing loans and borrowings	19	52,140	18,316
Total non-current liabilities and charges		<u>60,910</u>	<u>24,320</u>
Current liabilities			
Interest bearing loans and borrowings	19	103	0
Trade creditors		35,240	19,945
Other creditors	20	7,721	7,503
Total current liabilities		<u>43,064</u>	<u>27,448</u>
Total liabilities		<u>103,974</u>	<u>51,768</u>
TOTAL EQUITY AND LIABILITIES		<u><u>185,446</u></u>	<u><u>129,001</u></u>
Group entities	21		
Contingencies	22		
Staff costs	23		
Related party transactions	24		
Foreign currency	25		

Statement of changes in shareholders' equity for the year ended 31 December

LTL'000	Note	Share capital	Share pre-mium	Trea-sury shares	Legal reserve	Other reserve	Re-tained earnings	Total
Capital and reserves at 1 January 2002		23,070	3,644	-2,130	2,338	12,135	16,956	56,013
Acquisition of own shares		0	0	-114	0	0	0	-114
Disposal of own shares		0	0	2,423	0	0	0	2,423
Gain on disposal of own shares		0	0	-179	0	0	179	0
Dividend for 2001		0	0	0	0	0	-2,676	-2,676
Net income for 2002		0	0	0	0	0	21,587	21,587
Capital and reserves at 1 January 2003	16	23,070	3,644	0	2,338	12,135	36,046	77,233
Acquisition of own shares		0	0	-200	0	0	0	-200
Dividend for 2002		0	0	0	0	0	-18,457	-18,457
Net income for 2003		0	0	0	0	0	23,067	23,067
Capital and reserves at 31 December 2003	16	<u>23,070</u>	<u>3,644</u>	<u>-200</u>	<u>2,338</u>	<u>12,135</u>	<u>40,656</u>	<u>81,643</u>

Cash flow statement

Litas'000	2003	2002
Net result	23,067	21,587
Adjustments for:		
Depreciation and amortisation	12,488	10,500
Amortisation of grants	-981	-674
Property, plant and equipment sold, written off, etc.	956	166
Deferred taxation	17	400
Provision for obsolete inventories	-157	-38
Provision and written-off doubtful receivables	-49	-53
Change in vacation reserve and other provisions	150	398
Interest expense/income, loss on disposal of investments	1,268	1,152
Minority interest	-173	0
Accruals for current taxation	4,375	3,967
Net cash inflow from ordinary activities before any change in working capital	40,961	37,405
Change in trade and other receivables	-5,265	-1,076
Change in inventories	-11,948	-4,600
Change in trade creditors and other creditors	15,066	-4,479
Net cash inflow from ordinary activities	38,814	27,250
Net interest received/paid	-1,268	-1,152
Profit tax paid/received	-3,250	-396
Net cash inflow from operating activities	34,296	25,702
Acquisition of property, plant and equipment	-45,991	-17,903
Sale and acquisition of investments	-2,117	200
Capitalisation of intangible fixed assets	-1,490	-1,200
Disposal of property, plant and equipment	3,475	0
Net cash outflow from investing activities	-46,123	-18,903
Shareholders:		
Acquisition of treasury shares	-200	-114
Proceeds from sales of own shares	0	1,199
Dividend paid	-18,457	-2,676
Proceeds/payments of long-term borrowings	36,037	0
Proceeds/payments of short-term borrowings	103	-5,126
Net cash inflow/(outflow) from financing, net	17,483	-6,717
Net cash inflow/outflow from operating activities, investing activities and financing	5,656	82
Cash and cash equivalents at 1 January	974	892
Cash and cash equivalents at 31 December	6,630	974

Notes to the accounts

1 Summary of significant accounting policies and practises

The joint stock company AB Snaigė (the Company), which is the parent company, is a public listed company domiciled in Alytus, Lithuania. The Company's shares were traded on the Official List of the National Stock Exchange of Lithuania (NSEL).

The consolidated financial statements of the Company for the year ended 31 December 2003 comprise the Company and its subsidiaries (together referred to as the "Group").

On 26 March 2003 the Company acquired 85% ownership in Techprominvest, Russia (Kaliningrad). The subsidiary's financial statements are consolidated in the annual accounts of the Company.

On 16 December 2003, the company sold its 100% holding in General Frost (Slovakia). Financial statements of General Frost are consolidated for the period it belonged to the group during 2003.

As at 31 December 2003, the company owns 99% of Snaige-Ukraine (Ukraine). The subsidiary's financial statements are consolidated in the annual accounts of the Company.

The Company is involved in the manufacture of refrigerators and specialised equipment. The main products are consumer and commercial refrigerators.

Slovakian subsidiary was established primarily for acquisition of the production plant and equipment of the bankrupted Novy Calex factory. The Company has acquired part of the machinery from the Slovakian subsidiary General Frost and used it in construction of a production plant in Kaliningrad (Russia).

Production plant in Kaliningrad should start production of refrigerators and specialised equipment in 2004.

The Ukrainian subsidiary was established as a market representative.

As at 31 December 2003, the Group employed 1,866 employees.

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB), and interpretations issued by the Standing Interpretations Committee of the IASB.

Basis of preparation

Notes to the annual accounts

The consolidated financial statements are presented in Litas, rounded to the nearest thousand. They are prepared on the historical cost basis.

The accounting policies of the Company as set out below are consistent with those of the preceding year.

Basis of consolidation

(i) Subsidiaries

Subsidiaries are the enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that the control effectively commences until the date that control effectively ceases.

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated when preparing the consolidated financial statements.

Effect of hyperinflation

In accordance with IAS 29, the financial statements prepared in hyperinflationary currency have to be restated using the general price index. Until 1996, the economy of Lithuania has been subject to hyperinflation because the cumulative inflation in 1994 to 1996 exceeded 100%. Due to lack of the appropriate general price indices, the financial statements were not restated in the years of the hyperinflation.

From 1996, the economy of Lithuania ceased to be hyperinflationary in terms of IAS 29. The restatement of the financial statements at the end of the hyperinflationary period and subsequent use of the carrying amounts as a basis for preparation of financial statements of subsequent periods was not made by the Company.

1.1 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into Litas at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign

Notes to the annual accounts

currencies at the balance sheet date are translated into Litas at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Litas at foreign exchange rates ruling at the dates the values were determined.

(ii) Financial statements of foreign operations

The Group's foreign operations in Russia are considered to be an integral part of the Company's operations. Accordingly, the non current assets and depreciation are translated to Litas using the rates that were effective at acquisition of the assets. Share capital and pre-acquisition reserves are translated to Litas using the rates effective at acquisition of the interest in subsidiary. Monetary assets and liabilities of foreign operations are translated to Litas at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Litas at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The Group's foreign operations in Slovakia and Ukraine are not considered to be an integral part of the Company's operations. Accordingly, the assets and liabilities of foreign operations are translated to Litas at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Litas at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognised directly in equity.

1.2 Balance sheet

Property, plant and equipment

Items of property, plant and equipment are stated at purchase price, including indexation in accordance with resolutions of the Government of Lithuania in 1991, less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour cost and an appropriate proportion of production overheads.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major capital repairs expenditure, is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised in the income statement as an expense as incurred.

Notes to the annual accounts

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of items of property, plant and equipment, and major components that are accounted for separately. The estimated useful lives are as follows:

1. Buildings and constructions 15 to 63 years
2. Plant and machinery 5 - 10 years
3. Vehicles and other assets 3 - 8 years

Assets with the cost of less than Litas 500 and useful life less than 1 year are expensed in the year of acquisition.

Intangible fixed assets

Goodwill

Goodwill represents amounts arising on acquisition of subsidiaries as a difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Positive goodwill is stated at cost or deemed cost less accumulated depreciation and impairment losses (see accounting policy Impairment).

Positive goodwill recognised by the Company refers to the acquisition of a Russian subsidiary Techprominvest. The goodwill is amortised over 15 years.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense as incurred.

Expenditure on development activities, including design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and is expected to deliver future benefits. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Development costs initially recognized as an expense are not recognized as an asset in a subsequent period. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

Development costs that have been capitalized are amortized from the commencement of the commercial production of the product to which they relate on the units produced basis over the period of their expected benefit but not exceeding four years.

Notes to the annual accounts

Other intangible assets

Other intangible assets (comprising computer software) that are acquired by the Company are stated at cost less accumulated amortisation. Computer software is amortised using the straight-line method over a 1 - 3 years period.

Investments

Investments held by the Company are classified as being available-for-sale under non-current assets and are stated at fair value, with any resultant gain or loss being recognised in the income statement.

Available-for-sale investments are recognised/derecognised by the Company on the date it commits to purchase/sell the investments.

Inventories

Inventories are stated at a lower cost or net realisable value . Cost is determined by the FiFO method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads. Net realizable value is the estimate of the selling price in the ordinary course of business, less the selling expenses. Provision is made for slow moving or obsolete inventories.

Trade and other receivables

Trade receivables are carried at nominal value less provision for anticipated losses. An estimate is made for doubtful and hopeless receivables based on the review of all outstanding amounts at the year end.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash balances and call deposits.

Impairment

The carrying amounts of the Company's assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of

Notes to the annual accounts

an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Calculation of recoverable amount

The recoverable amount is the greater of the net selling price and the value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Repurchase of own shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as own shares and presented as a deduction from the total equity. Any gain or loss resulting from disposal of own shares is recognised directly in equity.

Dividends

Dividends are recognised as a liability in the period in which they are declared.

Grants

Grants received relating to the acquisition of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the income statement on a straight-line basis over the expected lives of the related assets. Grants received as a compensation of expenses are recognised as income in the same period as the compensated expenditures.

Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Guarantee of 2 to 5 years is provided for production sold. The provision for guarantee repairs is made based on the expected cost of repairs and statistical failure rates of production.

Notes to the annual accounts

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at cost, less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except for borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which are capitalised as part of the cost of that asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Borrowing costs are capitalised only when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably. Capitalisation commences when expenditures for the asset are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation ceases when substantially all the activities necessary to acquire the asset are complete.

1.3 Profit and loss account

Revenue

Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the income statement where delivery has been effected by the balance sheet date. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Production costs

Cost of production comprises direct and indirect costs including depreciation and wages incurred in order to obtain the turnover for the year.

Costs of imported products include the purchase price, transportation costs and customs cost.

Tax on result for the period

Notes to the annual accounts

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Segment reporting

A segment is a distinguishable component of the Company that is engaged in either providing products or services (business segment), or providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Notes to the annual accounts

1.4 Cash flow statement

The cash flow statement shows the company's inflows and outflows of cash during the period as well as the financial position at the end of the year. The cash flow is related to three major areas: operating activities, investing activities and financing.

The cash flow statement is drawn up in such a manner that net cash inflow/(outflow) from operating activities is presented indirectly based on operating income and charges in the profit and loss account.

Cash and cash equivalents include cash at bank and in hand and short-term securities stated under current assets.

Net cash inflow/(outflow) from operating activities is calculated as the result of ordinary activities adjusted for non-cash operating items with the addition of an increase in, or reduction of, the working capital, net interest receivable or payable and extraordinary items and less corporation tax paid.

Working capital comprises current assets, excluding items included in cash and cash equivalents and short-term creditors, excluding bank loans, mortgage debt, taxation and dividends. Therefore, cash at bank and in hand and any securities stated under current assets are not included.

Net cash outflow/(inflow) from investing activities comprises acquisitions and disposals of fixed assets.

Additions are stated at cost. Disposals are stated at a sales price less related expenses.

Net cash inflow/(outflow) from financing comprises payments to and from shareholders as well as receipts from and repayment of mortgage debt and other long-term and short-term creditors not included under the working capital.

Notes to the annual accounts

2 Segment reporting

The Group's only business segment (basis for primary reporting format) is the manufacture of refrigerators and specialised equipment.

Segment information is presented in respect of the Company's geographical segments (secondary reporting format).

The Group's sales are performed in the domestic market, Eastern and Western Europe. All the Group's assets are located in the country, where it is domiciled, and in the countries where its subsidiaries are domiciled.

Revenues, total assets, liabilities and capital expenditure by geographical segments are as follows:

Litās'000	Sales		Total assets		Capital expenditure		Total liabilities	
	2003	2002	2003	2002	2003	2002	2003	2002
Western								
Europe	93,250	91,639	0	0	0	0	0	0
Russia	9,228	4,136	33,645	0	29,370	0	34,794	0
Ukraine	64,873	55,589	78	16	37	9	44	14
Other CIS								
countries	6,083	5,726	0	0	0	0	0	0
Central Europe	53,652	47,727	0	3,009	0	2,048	0	2,937
Lithuania	29,799	30,072	151,723	125,976	16,584	15,846	69,136	48,817
Other Baltic								
Countries	12,532	12,428	0	0	0	0	0	0
	<u>269,417</u>	<u>247,317</u>	<u>185,446</u>	<u>129,001</u>	<u>45,991</u>	<u>17,903</u>	<u>103,974</u>	<u>51,768</u>

Notes to the annual accounts

Results for 2003 by geographical segment can be specified as follows:

LTL'000	Western Europe	Russia	Ukraine	Other CIS	Central Europe	Lithuania	Other Baltic countries	Total
Revenue	93,250	9,228	64,872	6,084	53,652	29,799	12,532	269,417
Segment result	14,921	-1,112	14,109	1,060	10,659	7,831	2,446	49,914
Unallocated expenses								-22,006
Profit from operations								27,908
Net financing costs								-2,265
Profit before tax								25,643
Income tax expense								-2,749
Profit after tax								22,894
Minority interest								173
Net profit for the year								23,067

3 Acquisition and disposal of subsidiaries

The acquisitions and disposal had the following effect on the Group's net assets and liabilities:

Litas'000	2003		2002
	Acquisition	Disposal	Acquisition
Net identifiable assets and liabilities	11	-513	17
Ownership	85%	100%	100%
Proportion of identifiable net assets acquired/disposed	9	-513	17
Goodwill on acquisition	2,799	0	0
Consideration paid/ received	-2,808	691	-672
Cash acquired / disposed	8	-373	17
Net cash outflow/ inflow	-2,800	318	-655

Notes to the annual accounts

On 26 March 2003 the Company acquired 85% ownership in Techprominvest, Russia (Kaliningrad).

In 2002, the company acquired 100% interest in General Frost (Slovakia). On 16 December 2003, the company sold its 100% holding in General Frost.

	2003	2002
	Litas '000	Litas '000
4 Distribution expenses		
Transportation	4,110	3,674
Advertising	961	672
Commissions	805	849
Salaries and social insurance	639	418
Guarantee service costs (Germany)	592	709
Insurance	438	313
Others	1,360	1,127
	<u>8,905</u>	<u>7,762</u>
5 Administrative expenses		
Salaries and social insurance	6,597	5,588
Depreciation	1,555	1,577
Road tax	1,339	1,208
Utilities and communication expenses	1,055	922
Real estate and land taxes	438	495
Charity, Christmas presents, etc.	433	104
Insurance	153	99
Representation	105	110
Others	2,409	2,529
	<u>14,084</u>	<u>12,632</u>

Notes to the annual accounts

	2003	2002
	Litas '000	Litas '000
6 Other operating income		
Revenue of auxiliary departments	2,037	2,336
Sale of non-current assets	752	42
Others	26	0
	<u>2,815</u>	<u>2,378</u>
Other operating expenses		
Expenses of auxiliary departments	-1,978	-2,191
Written off assets	-580	0
Amortisation of goodwill	-140	0
Medical care	-71	-65
Other expenses	0	-334
	<u>-2,769</u>	<u>-2,590</u>
Other operating income and costs, net	<u>46</u>	<u>-212</u>
7 Financial income, net		
Interest expense on bank borrowings	-1,132	-1,152
Foreign exchange transaction gain, net of loss	-976	278
Interest income on bank deposits	11	13
Loss on disposal of shares of subsidiary General Frost (Slovakia)	-147	0
Others	-21	250
	<u>-2,265</u>	<u>-611</u>
Borrowing costs of tLTL 321, which are directly attributable to the acquisition and construction of the production plant in Kaliningrad, were capitalised as part of the costs of the unfinished construction.		
8 Profit tax		
Current tax	4,375	3,967
Tax refund for prior periods	-1,643	-515
Tax correction for prior periods	0	84
Change in deferred taxation	17	400
Tax for the period	<u>2,749</u>	<u>3,936</u>

Notes to the annual accounts

The reconciliation of the effective tax rate is as follows:

	2003	2002
Result before taxes	25,643	25,523
Change in temporary differences	-113	-2,668
Total permanent differences	3,638	3,412
Result on sale of own shares	0	179
Profit taxable at a rate of 15%	29,168	26,446
Profit tax expense	4,375	3,967

The movement on the deferred tax account is as follows:

	2003	2002
Litas '000		
1 January	-260	140
Change in deferred tax	-17	-400
Deferred tax at 31 December	-277	-260

9 Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year. The average number of ordinary shares reacquired by the Company is excluded from shares outstanding during the year.

	2003	2002
Net profit for the year	23,067	21,587
Weighted average number of shares in issue (thousand)	1,538	1,530
Basic earnings per share	15.00	14.11

The Company has no dilutive potential shares or convertibles. The diluted earnings per share are the same as basic earnings per share.

Notes to the annual accounts

10 Property, plant and equipment

Litas'000	Buildings	Machinery and equipment	Vehicles and other assets	Construction in progress	Total
Cost at 1 January	10,174	73,175	14,011	3,238	100,598
Additions	4,799	16,896	2,025	21,832	45,552
Capitalised repairs	0	439	0	0	439
Disposals	-4	-775	-399	-2,042	-3,220
Write-off	-15	-901	-1,288	0	-2,204
Reclassifications	4	-504	500	0	0
Cost at 31 December	14,958	88,330	14,849	23,028	141,165
Depreciation at 1 January	1,103	29,038	5,529	0	35,670
Depreciation for the year	156	9,486	1,742	0	11,384
Disposals	0	-138	-359	0	-497
Write-offs	-4	-347	-151	0	-502
Reclassifications	0	0	0	0	0
Depreciation at 31 December	1,255	38,039	6,761	0	46,055
Net book value at 31 December	13,703	50,291	8,088	23,028	95,110
Net book value at 1 January	9,071	44,137	8,482	3,238	64,928
Depreciated over	15 - 63 years	5 - 10 years	3 - 8 years		

Construction in progress includes unfinished premises, which will be either used for storage purposes or will be sold in 2004. No commitments for sale have been made yet by the Company.

Non-current assets with a booked value of 1,209 tLitas (2002:1,354 tLitas) are rented under operational lease contracts to third parties.

Notes to the annual accounts

Depreciation has been allocated as follows:

	<u>2003</u>	<u>2002</u>
	Litas'000	Litas'000
Production and production development costs	10,298	8,945
Distribution, administrative and other costs	<u>1,086</u>	<u>457</u>
Total	<u><u>11,384</u></u>	<u><u>9,402</u></u>

Security

At 31 December 2003, property, plant and equipment with a carrying amount of 45,518 tLitas (2002: 25,867 tLitas) are pledged to secure bank loans (refer to Note 19).

Supplementary information of capacity of production and non-production buildings

As it is mentioned in Note 1 under Significant Accounting Policies, the non-current assets of the Company were not subject to restatement due to hyperinflation in the periods until 1996 resulting in the value of the buildings materially lower compared to their present value.

Below the supplementary information for the Company's premises acquired before 1996 is provided:

Type of buildings	<u>Area, m2</u>	<u>Book value, 31/12/03, tLitas</u>
Production buildings	54,868	10,418
Non-production and administrative buildings	26,884	403
Other buildings	<u>15,403</u>	<u>251</u>
Total	<u><u>97,155</u></u>	<u><u>11,072</u></u>

Notes to the annual accounts

11 Intangible fixed assets

	Goodwill	Develop- ment costs	Software, etc.	Total
Cost at 1 January	0	3,040	1,242	4,282
Additions during the period	2,799	1,136	354	4,289
Written off	0	0	-6	-6
Cost at 31 December	2,799	4,176	1,590	8,565
Amortisation at 1 January	0	1,293	943	2,236
Amortisation for the period	140	815	149	1,104
Depreciation of written-off assets	0	0	0	0
Amortisation at 31 December	140	2,108	1,092	3,340
Net book value at 31 December	2,659	2,068	498	5,225
Net book value at 1 January	0	1,747	299	2,046
Amortised over	15 years	1-3 years	1-3 years	

Amortisation is included under operating expenses, except for amortisation of goodwill that is included in other operating expenses.

12 Deferred tax

	2003		2002	
	Temporary difference	Deferred tax (15%)	Temporary difference	Deferred tax (15%)
Vacation reserve	143	21	0	0
Issuance expenses	81	12	162	24
Guarantee provision	865	130	329	49
Capitalised repair expenditure	-1,548	-232	-1,262	-189
Capitalised development costs	-1,388	-208	-963	-144
Net book value at 31 December	-1,847	-277	-1,734	-260

Notes to the annual accounts

	2003	2002
	Litas'000	Litas'000
13 Inventories		
Raw materials	20,595	17,585
Work in progress	1,022	1,110
Finished goods	9,237	7,174
Machinery and equipment to be sold to subsidiary Techprominvest (Russia)	7,232	0
Others	102	215
Net book value at 31 December	38,188	26,084

Raw materials consist of compressors, components, plastics, wires, metals and other materials used in the production.

At 31 December 2003, inventories up to the carrying amount of 19,300 tLitas (2002: 10,800 tLitas) are pledged to secure bank loans (refer to Note 19).

14 Other receivables		
Receivables from the State	7,636	2,797
Prepayments and deferred charges	1,904	2,322
Receivables for own shares sold	0	3,360
Other receivables	42	186
Net book value at 31 December	9,582	8,665

Receivables for sale of own shares comprise receivables from the related parties for own shares sold in 2001 and 2002. Refer to Note 24 for details on the related party transactions.

15 Cash and cash equivalents		
Cash at bank	6,636	867
Cash in hand	5	7
Cash and cash equivalents at 31 December	6,641	874

At 31 December 2003, cash inflows into the bank accounts up to 10,000 tLitas (2002: 10,000 tLitas) are pledged to secure bank loans (refer to Note 19).

Notes to the annual accounts

16 Capital and reserves

Share capital

The share capital comprises 1,538 thousand ordinary shares with a nominal value of Litas 15 each and the total share capital of 23,070 tLitas.

Reacquired own shares

Acquisition and disposal of the own shares could be specified as follows:

	Number of shares, thousand	Own shares, 000'Litas
At 1 January	0	0
Acquired own shares in the market	1	200
At 31 December	1	200

Legal reserve

The legal reserve in the amount of 2,338 tLitas is a compulsory reserve under Lithuanian legislation. Annual contributions of 5% of the retained earnings available for distribution are required until the legal reserve and the share premium reach 10% of the authorised capital. The legal reserve can only be used to cover future losses.

Other reserve

The other reserves in the amount of 12,135 tLitas relate to the investment tax relief used by the Company in 1998 and 1999. When calculating profit tax, the company applied a relief regarding the net investment into tangible non-current assets. If the reserve is distributed, a profit tax shall not be paid on the reserve before the distribution, according to the amended tax legislation.

Proposed dividend

The Company has proposed a dividend of 3,076 tLitas (2 Litas per share in issue) for 2003. By the time of the issuance of the financial statements, the dividend has not yet been approved by the shareholders' meeting.

Notes to the annual accounts

17 Guarantee provision

The Company provides a guarantee of 2 to 5 years for the production sold. The provision for guarantee repairs has been made based on the expected cost of repairs and statistical failure rates of production.

18 Deferred grants

	Deferred grant
Grants at 1 January	7,140
Additions during the period	2,547
Grants at 31 December	9,687
Amortisation at 1 January	1,078
Amortisation for the period	981
Amortisation at 31 December	2,059
Net book value at 31 December	7,628
Net book value at 1 January	5,415

Deferred grants comprise a grant of the production machinery and improvements of buildings in connection with the elimination of CFC 11 element from the production of polyethanic insulation and filling foam as well as a grant for elimination of green house gases in the manufacturing of domestic refrigerators and freezers. Deferred grants are amortised over the same period as the granted machinery and improvements and as compensated costs are incurred. Amortisation of grants is included in production cost against depreciation of granted machinery and improvements and compensated expenditure.

	2003 Litas'000	2002 Litas'000
19 Interest bearing loans and borrowings		
Non-current liabilities		
Secured bank loans	52,140	18,316
Net book value at 31 December	52,140	18,316
Current liabilities		
Interest bearing loans and borrowings	103	0
Net book value at 31 December	103	0

Notes to the annual accounts

Terms and repayment schedule

	<u>Total</u>	<u>Up to 1 year</u>	<u>1 - 2 years</u>	<u>2 - 5 years</u>
Credit facility of 17,002 tEUR - variable at EURIBOR + 1.1%	41,262	0	2,413	38,849
Credit facility of 10,000 tLTL - variable at VILIBOR + 1.1%	8,339	0	0	8,339
Finance lease of 207 tEUR - variable at EURLIBOR + 1.4%	508	103	107	298
Credit facility in USD - fixed at 10%	2,134	0	2,134	0
Total	<u>52,243</u>	<u>103</u>	<u>4,654</u>	<u>47,486</u>

	<u>2003</u>	<u>2002</u>
	Litas'000	Litas'000
20 Other creditors		
Salaries and social insurance payable	1,506	1,461
Vacation reserve	606	991
Taxes payable	5,240	4,197
Other payables and accrued charges	369	854
Net book value at 31 December	<u>7,721</u>	<u>7,503</u>

	<u>2003</u>	<u>2002</u>
21 Group entities, ownership		
Techprominvest (Russia)	85%	0%
General Frost (Slovakia)	0%	100%
Snaigė Ukraine (Ukraine)	99%	99%

Notes to the annual accounts

22 Contingencies

At 31 December 2003, property, plant and equipment with a carrying amount of 45,518 tLitas (2002: 25,867 tLitas) are pledged to secure bank loans.

At 31 December 2003, inventories up to the carrying amount of 19,300 tLitas (2002: 10,800 tLitas) are pledged to secure bank loans.

At 31 December 2003, cash inflows into the bank accounts up to 10,000 tLitas (2002: 10,000 tLitas) are pledged to secure bank loans.

At 31 December 2003, all shares of subsidiary Techprominvest (Russia) (85% ownership) are pledged to secure bank loans. The acquisition cost of the shares amounts to tLTL 2,808.

Notes without reference

	2003	2002
	Litas'000	Litas'000
23 Staff costs		
Production costs	20,243	21,016
Selling, administrative and other expenses	7,934	7,065
	<u>28,177</u>	<u>28,081</u>

Staff costs include wages and salaries and emoluments for the management of 3,022 tLitas (2002: 920 tLitas).

The Company (including its subsidiaries) had 1,866 employees at the end of 2003 (2002: 1,856 employees).

24 Related party transactions

The related party transactions in 2003 were as follows:

A 3,359 tLitas receivable from UAB Snavesta for the shares sold outstanding as at the end of 2002 was settled in 2003.

In January 2004, by a decision of the Board the company issued a loan of 9,000 tLitas to UAB Snavesta. The repayment of the loan is secured by a restriction of rights of ownership of 51 thousand ordinary shares of AB Snaigė (no disposal, pledge of shares until settlement of the liability is possible). The maturity of the loan falls on 30 April 2004, the interest rate is fixed at above the interest rates paid by the company on its borrowings.

In 2003, the company rented premises in the centre of Vilnius for representation purposes from UAB Hermis Fondų Valdymas. The rent fees paid for 2003 amount to 60 tLitas.

25 Foreign currency

As at 31 December 2003, the Company held the following positions in foreign currencies, translated into tLTL at the exchange rates ruling at the balance sheet date:

LTL'000	Euro	USD	GBP	RUB	UAH
Trade debtors	27,822	4,986	108	20	13
Prepayments	114	11	0	76	0
Other receivables	0	0	0	3,226	2
Cash	3,356	52	0	1	10
Loans taken	-41,261	-2,132	0	0	0
Trade and other creditors	-17,730	-539	0	-3,847	-42
Net position	<u>-27,699</u>	<u>2,378</u>	<u>108</u>	<u>-524</u>	<u>-17</u>